



# Creating Value

Our Group and our economic impact  
in Europe 2018



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The Economic Impact Study of Costa Group has been determined with the technical and methodological support of Deloitte & Touche. The analysis considers the economic impact created by Costa Group at European level in FY 2018 as explained in the Methodology section of this report.

**Deloitte.**



# INTRODUCTION



Michael Thamm  
Group CEO  
Costa Group & Carnival Asia

# A message from our CEO

At Costa Group, we aspire to make a positive, lasting impact in every place we sail to with our guests and crew members.

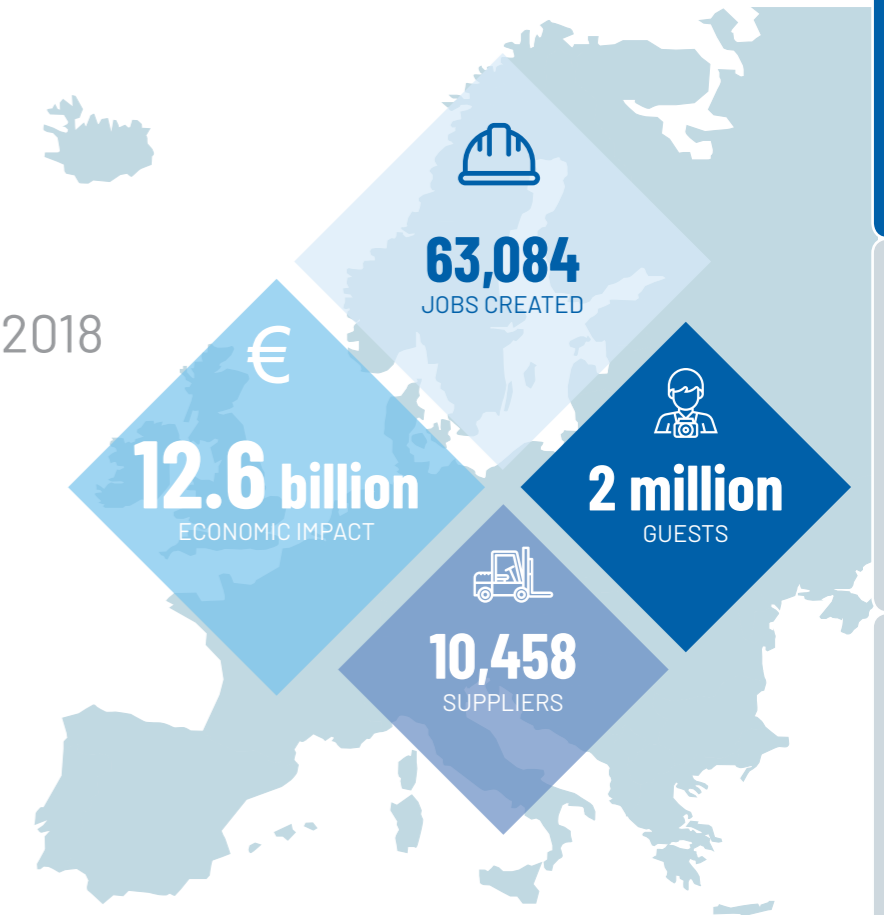
As the cruise industry grows and evolves, with over 70 years of history, Costa Group is proud to play a leadership role. With our over 31,500 employees and 28 ships traveling the world to offer memorable experiences to our guests, we also feel the responsibility of contributing to the economic vitality of the ports, creating value for local communities at the destinations we visit.

This is particularly true in Europe, where our Group is market leader and deeply rooted with its two brands: Costa Cruises and AIDA Cruises. Moreover, Europe is not only one of our top destinations in the world, but it is also where we build our ships and where we generate most of our economic impact.

Our contribution in the region is at the heart of this report, which aims at better understanding, quantifying and qualifying the value we generate while delivering great vacations at sea. For this purpose, we have partnered with authoritative third parties such as Deloitte, the University of Genoa in Italy and the University of Hamburg in Germany, to analyze - for the first time - Costa Group's impact across Europe and in specific countries and ports.

The results of this analysis are impressive and they show our commitment to contribute to the social, environmental and economic development of Europe. With our ships, our crews and our guests, we generate an overall value of 12.6 billion euro and create over 63,000 jobs, while investing significantly to be at the forefront of sustainable innovation for the cruise industry to bring our sustainable growth strategy to life.

Our impact in Europe in 2018



We hope this report will further strengthen our transparent dialogue with all our stakeholders across Europe, to celebrate what we have achieved but, most importantly, to explain what the cruise industry is about and set the ground for an even more fruitful cooperation in the future.

In the end, the truth is that we can only prosper together.

Michael Thamm  
Group CEO  
Costa Group & Carnival Asia



Prof. Bruzzi



Prof. Spindler



Dr. Amelio

# Editorial of our partners

Cruising, once a luxury pastime, has become a great vacation experience for everybody. With the strong and steady growth of the industry, its impact has grown correspondingly. It is reflected in public interest, in media coverage and in social media exposure. It is mirrored in the critical public handling of environmental issues.

With this study, Costa Group attempts to define its share in this, and to deliver sound data on the economic impact of cruising in selected countries, regions, and ports across Europe.

The methodological framework that was chosen for the analysis - the Input/Output model - is a recognized standard for economic impact studies across all industries. What is exceptional about this study is the meticulous collection and evaluation of an extended set of data that reflect the entire value chain, including direct purchases but also expenditure of guests - approximately 33,000 survey responses were analyzed -, crew spending, and information from external partners, such as shipyards.

The results are impressive: Costa Group is generating a significant economic impact with an average multiplier effect of 2.6, which is in the top ranking compared to other industries. This is another sign that the cruise industry is a complex business with immense impact on many areas.

What has been achieved with this study has never been done before. We are aware that we are delivering only a snapshot of current affairs in a very dynamic and complex market. However, we are convinced that this economic impact study reveals unique, valuable and profound results that are worth sharing with the wider community of stakeholders.

Prof. Silvia Bruzzi  
University of Genoa

Prof. Martin Spindler  
University of Hamburg

Dr. Franco Amelio  
Deloitte & Touche

“ Together, we have developed a framework that can help set a new standard for analyses on the impact of the cruise industry in the future, in order to enhance transparency and accountability. ”





# OUR COMPANY



# Costa Group

## Who we are

With a fleet of 28 ships and over 31,500 employees worldwide, Costa Group is market leader in Europe and China. Our two brands, Costa Cruises and AIDA Cruises, carried 3.2 million guests in 2018, with a global turnover of 3.8 billion euro.

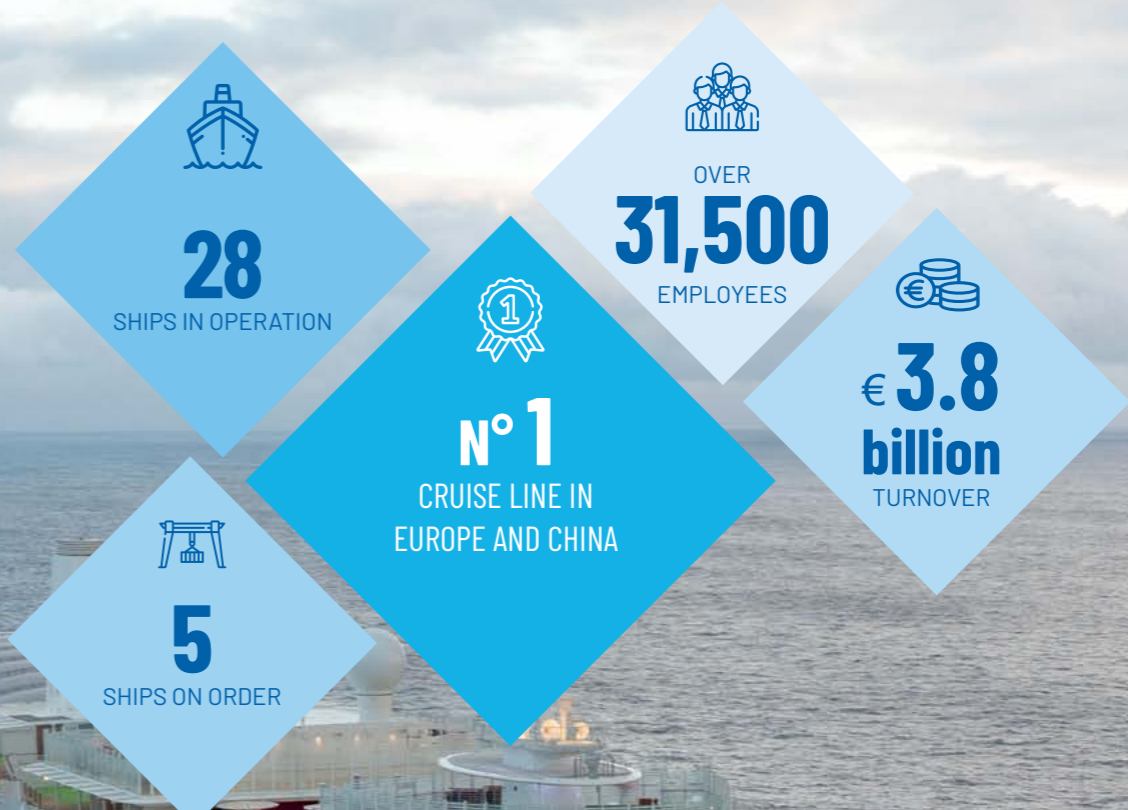
Since 1997, Costa Group has been **part of Carnival Corporation & plc**, the world's largest leisure travel company with more than 100 ships, a portfolio of 9 brands and a global market share of about 50%.

Our Group is the driving force of the continuous growth of the cruise industry in Europe, doubling guest numbers in the past 10 years. All our ships are registered in Italy, making **Costa Cruises and AIDA Cruises** the only cruise companies with **Italian-flagged ships**.

As the result of an ambitious **investment plan of over 6 billion euro**, 2 new ships have recently joined the fleet, with an additional 5 ships being delivered by 2023. The delivery of **AIDAnova** in December 2018 represented a major environmental breakthrough, being **the first ship in the industry to be permanently powered by Liquefied Natural Gas (LNG)**. **Costa Venezia**, delivered in February 2019, was our **first tailor-made newbuild for China**, a fast growing market where we were the first in the industry to introduce the cruise concept in 2006.

Overall, the expansion of the fleet will drive a **capacity increase of around 50%** versus 2017, reaching a total of 33 ships and 118,000 berths **by 2023**. Costa Group is one of the biggest employers in the cruise industry and the expansion of our fleet will also double the number of crew members.

The safety and security of our guests and crew are our priorities. Through **Carnival Maritime** we have created an organization of highly skilled professionals using state-of-the-art technologies to **monitor safety and support the daily nautical and technical operations** of our fleet around the world.



  
**3.2 million**  
GUESTS

  
MORE THAN  
**200**  
GUEST NATIONALITIES

  
**46 years**  
AVERAGE GUEST AGE





# Our brands

## AIDA Cruises

Pioneer of modern cruising in Germany

Headquartered in Rostock (Germany), AIDA Cruises operated its first cruise ship in 1996.

AIDA is the undisputed **market leader in the German-speaking cruise market** and operates one of the world's most state-of-the-art fleets, currently comprised of 13 cruise ships with 2 new ships being built at the Meyer Werft shipyard in Papenburg, Germany, expected to join the fleet by 2023.

**As early as 2023, 94%** of all AIDA guests will be sailing on ships that can be fully operated with **low-emission Liquefied Natural Gas (LNG)** or, if available in ports, with **green shore power**.

In 2018, AIDA Cruises ships carried over 1 million guests.



## Costa Cruises

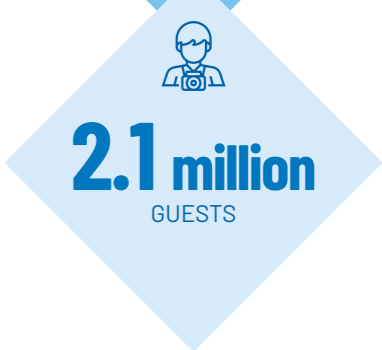
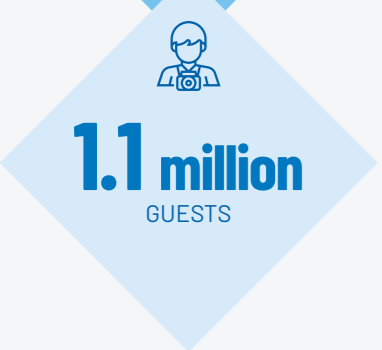
Ambassador of Italian style in the world

Established in 1948 in Genoa (Italy), where it is still headquartered today, Costa Cruises is the **ambassador of Italian style, gastronomy and hospitality**.

It operates a fleet of 15 contemporary ships with 3 ships scheduled to be delivered between 2019 and 2021, including **2 fully powered by LNG**. These ships are being built in Fincantieri shipyards in Italy and Meyer Werft in Finland.

Costa Cruises is **market leader in many European countries**, such as Italy, France, and Russia and it is **the largest cruise line in China**, where it was the first international cruise company to enter this market in 2006.

In 2018, Costa Cruises ships carried over 2 million guests.



# Our global operations

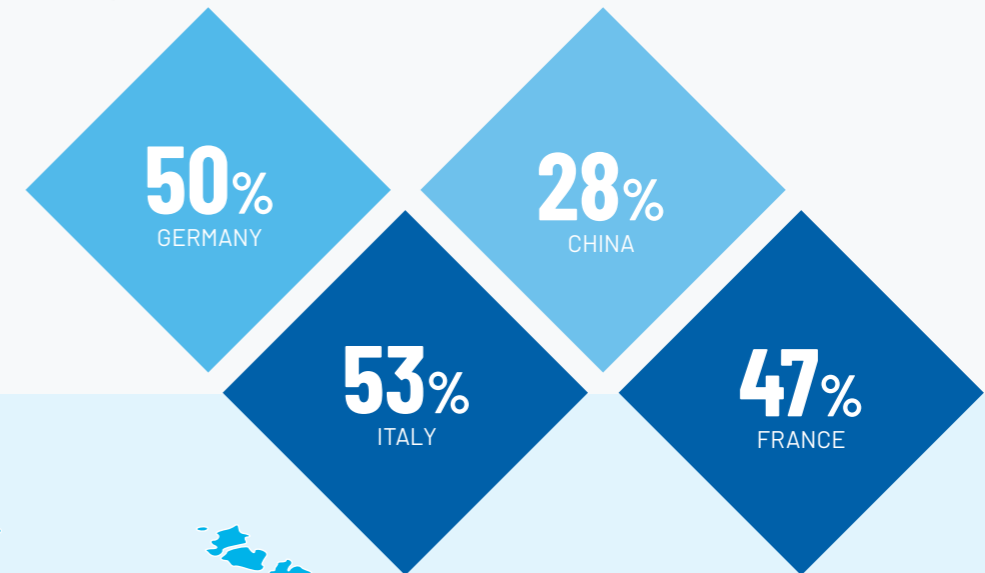
Market leader in Europe and Asia

**370**  
DESTINATIONS

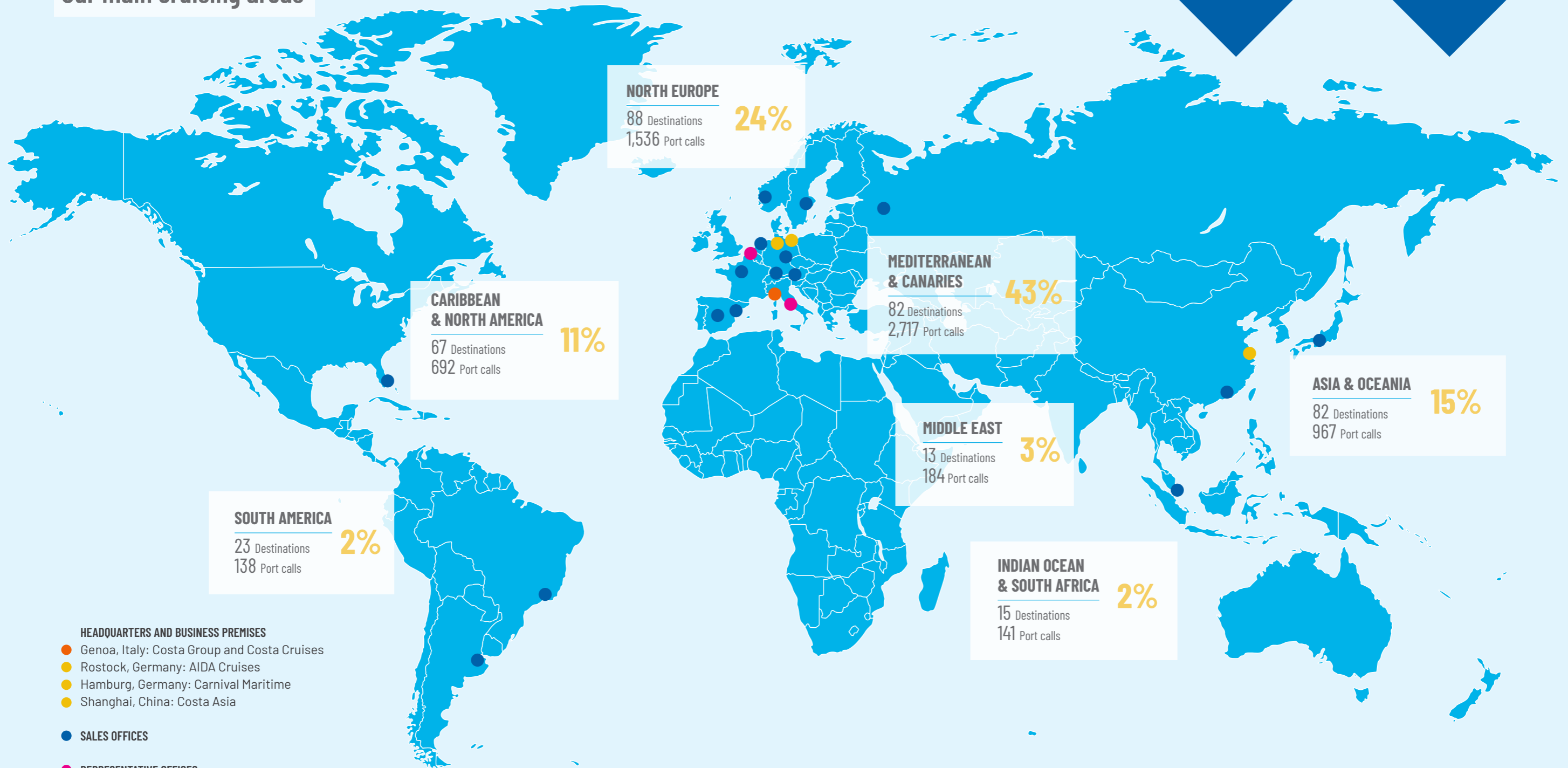
**6,375**  
PORT CALLS

**22**  
OFFICES

Market shares  
in 2018



## Our main cruising areas



### HEADQUARTERS AND BUSINESS PREMISES

- Genoa, Italy: Costa Group and Costa Cruises
- Rostock, Germany: AIDA Cruises
- Hamburg, Germany: Carnival Maritime
- Shanghai, China: Costa Asia

● SALES OFFICES

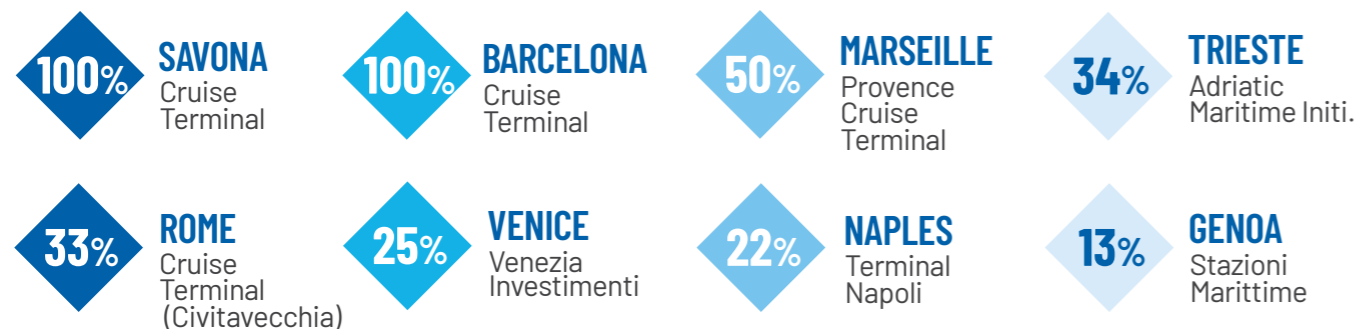
● REPRESENTATIVE OFFICES



# Our investments

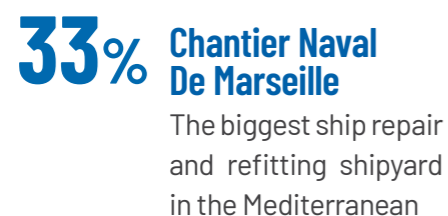
## Terminals

The travel experience of our guests begins with modern and efficient infrastructures and services upon embarkation. Costa Group has made **significant investments into state-of-the-art passenger terminals** in the Mediterranean.



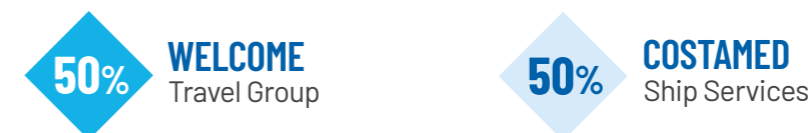
## Shipyards and technical activities

Costa Group **invests in dry docks and technical activities** aimed at improving the performance of our existing fleet and making modern technology and services available to the whole shipping industry.



## Commercial activities

Travel agencies, tour operators and port services are crucial for our interaction with guests and our business development. Costa Group has built a **great network of partnerships** and has invested significantly in this sector.



## Training

We believe that it is our people who guarantee high service standards and generate innovation. We strive to **create an organization of highly qualified professionals**, prepared with the skills required today and in the future.



### Arison Maritime Center in Almere, The Netherlands

The most advanced training center in the world for maritime officers, financed by Carnival Corporation and equipped with a Centre for Simulator Maritime Training (CSMART) Academy, with engine room and deck simulators.



### AIDA Academy, Rostock, Germany

A center for basic and advanced training focused on the industry's most modern skills, know-how and innovations.



### Costa Academy for Advanced training for shipboard hotel services, in Arenzano, Italy

A training hub for the development of professionals to be integrated into on board hospitality, transferring key competencies and expertise for the very specific needs of cruise ships.



# Caring for the environment

## Our commitment to sustainable innovation

**Sustainable growth** is a matter of **responsibility** for Costa Group. An intact environment, our dedication to our guests, employees and the wider community, and sustainable management are basic prerequisites for us to be able to offer successful cruises in the future.

Costa Group is at the forefront of **sustainable innovation**. We work in close cooperation with science and research partners on **continuously improving the environmental footprint of our fleet and destination operations**, and have developed internal sustainability plans that are inspired by the UN 2030 agenda for Sustainable Development.

We respect all the international and national environmental regulations and are **committed to go even beyond**. Our initiatives vary from operational improvements onboard and ashore, to technological upgrades onboard our existing ships, to the sustainable design of our new builds. For our ships in operation, we have already invested **about 140 million euro in environmental technologies** during the period **2015-2018** and we are **committed to invest over 90 million euro in 2019** alone.

For the first time in the cruise industry, AIDA Cruises has been awarded the **"Blue Angel"**, the German federal government's ecolabel, for AIDAnova's environmentally friendly ship design.

Topics at the center of our attention range from the reduction of air emissions and greenhouse gases, to increasing energy efficiency, saving water as well as minimizing waste and waste water production.

More details on the initiatives of our brands can be found in the annual sustainability reports of AIDA and Costa Cruises.



€  
INVESTMENT  
OF OVER  
**230 million**  
IN ENVIRONMENTAL  
TECHNOLOGIES  
2015-2019

Goal  
**zero emission  
cruising**

1  
THE GERMAN FEDERAL  
GOVERNMENT AWARDED  
AIDANOVA WITH THE  
**Blue Angel**  
FOR ITS ENVIRONMENTAL  
FRIENDLY SHIP  
DESIGN

## Our goals



OVER

**40% reduction**

GREENHOUSE GAS EMISSION RATE BY 2020  
(10 YEARS AHEAD OF IMO 2030 TARGET)



**50% reduction**

FOOD WASTE BY 2020  
(10 YEARS AHEAD OF UN 2030 AGENDA)



**50% reduction**

OF SINGLE-USE PLASTICS  
BY 2021

# Improving our environmental footprint



## PIONEERING LNG IN THE CRUISE INDUSTRY: WORLD'S CLEANEST FOSSIL FUEL

The world's **first LNG powered cruise ship**, AIDAnova, was introduced in 2018 and a total of **5 LNG ships** will be in operation **by 2023**.

**85% less** NOx

**25% less** CO2

**up to 100% reduction** particulates and SOx



## REDUCING EMISSIONS OF EXISTING SHIPS WITH AAQS

All our existing ships will be fitted with **open-loop AAQS** (scrubbers) **by 2021** with a beneficial impact on the environment and washwater discharge not harmful to the ocean as proven by independent scientific studies.

**15% less** sulfur emissions than Marine Gas Oil (MGO)

**75% reduction** in particulate matter



## PIONEERING THE USE OF SHORE POWER

We pioneered the use of shore power with AIDAsol in Hamburg, and we are **working with several North European ports to build required infrastructure** (e.g. Kiel and Warnemünde).

**approx. 50% of our fleet** will be ready to use shore power by 2020



## WORKING TOWARDS THE ZERO EMISSION SHIP

- We aim to deliver the **first zero emission ship by 2040**, at the latest
- Ongoing **research** and tests on **new sustainable alternative technologies** (batteries, fuel cells or liquefied gas from renewable sources)
- AIDAperla first ship to be equipped with **lithium-ion battery systems in 2020**

## IMPROVING THE ENERGY EFFICIENCY OF OUR FLEET

All our ships are equipped with a **Ship Energy Efficiency Management Plan** and we are committed to increase the performance of our fleet.

**30% reduction** in fuel consumption per unit compared to 2013

**30% reduction** in energy required for lighting in the hotel areas



## CIRCULAR ECONOMY MODEL AT SEA: OUR SHIPS AS FLOATING SMART CITIES

Our ships are **equipped with advanced systems** for recycling, reuse and recovery of materials produced on board.

**34% overall reduction** in food waste

**100% of waste** generated is collected and separated

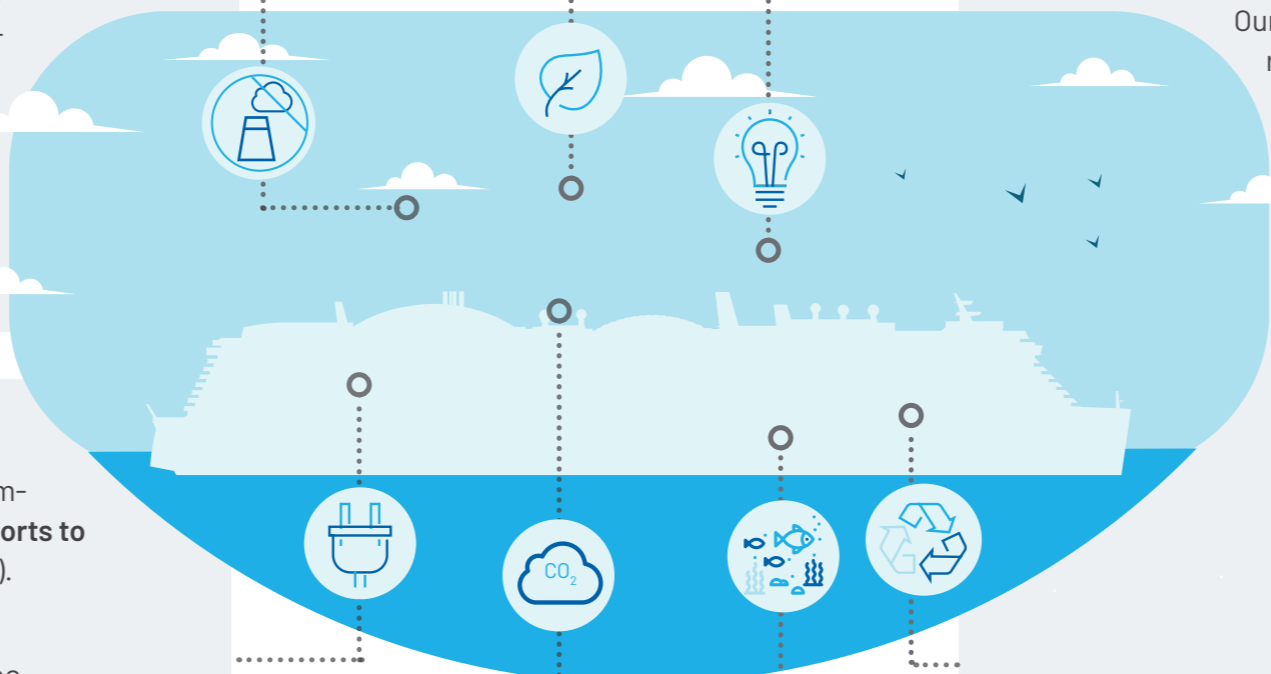
**over 60% of aluminum** on Costa ships is recycled

**up to 600,000 liters** of drinking water produced per day with desalination systems on AIDA ships



## PROTECTING THE OCEANS AROUND US

- Almost all AIDA ships are equipped with **advanced waste water treatment plants** that process waste water to almost drinking water quality
- All our ships are being equipped with **Ballast Water Treatment systems** to avoid transfer of foreign organisms between different marine ecosystems by ballast water





# Committed to communities

Creating shared value and growth opportunities for local communities



## PROTECTING THE ENVIRONMENT

Protecting the diversity of species and ecosystems is one of Costa Group's main goals, achieved through innovative projects and by expanding the offer of sustainable shore excursions.



**GUARDIANS OF THE COAST:** One of the **biggest citizen science projects** ever developed in Italy, dedicated to marine environment, plastic pollution, coastal biodiversity and climate change. Promoted by the Costa Crociere Foundation, in 2 years the project actively **involved 10,800 students and 1,100 teachers from 280 high schools**, who have adopted and monitored 1/3 of the Italian coastline.



**ECO-TOURS:** In partnership with selected tour operators, AIDA Cruises offers **more than 1,100 sustainable shore excursion packages** that meet our social, ecological and cultural criteria. These packages are labeled with the so-called **BAUM seal**, developed with the German Environmental Association Futouris e.V.



**OPERATION OCEANS ALIVE:** On the occasion of the United Nations' World Oceans Day, AIDA Cruises and Costa Cruises joined Carnival Corporation's "Operation Oceans Alive - Our Home - Our Future" initiative, a global campaign **to educate guests and employees on environmental protection.**



## TACKLING FOOD WASTE

Costa Group adopted a strategic approach to reduce shipboard food waste, a global first for the cruise and food service industry.



**4GOODFOOD:** In line with the target of the UN 2030 Agenda on food waste, Costa Cruises devised a program on responsible consumption of food on board its ships with donations of surplus to charitable associations in key ports, in partnership with food bank charity Fondazione Banco Alimentare. Its ambitious target is to **half food waste on board ships by 2020.**



## SUSTAINABLE TOURISM DEVELOPMENT

Costa Group is strongly committed to creating a positive contribution to a balanced and sustainable growth of destinations.



**HISTORIC VILLAGES:** Costa Cruises established a partnership with the association "I borghi più belli d'Italia" (Italy's finest historic small towns) to **promote excursions to less travelled locations** that are of great artistic and cultural heritage.



## GIVING BACK TO COMMUNITIES

Costa Group takes pride in giving back to local communities, supporting social and cultural projects as well as providing aid in emergencies.



**COSTA CROCIERE FOUNDATION:** Since 2015, the Foundation has launched **29 projects addressing urgent social and environmental issues**, impacting over **30,000 beneficiaries** from **130 nationalities**, in line with its mission to create a society where every one is granted the right to happiness.



**TOGETHER FOR GENOA:** After the tragic collapse of the Morandi bridge in Genoa in 2018, the Foundation funded the building of an **innovative community centre** in the Certosa neighbourhood, the one most hit by the disaster.



**SCHOOL RECONSTRUCTION IN NORCIA:** A **local nursery school** for 125 children, destroyed by the earthquake of August 2016, was reconstructed to be earthquake-proof, with eco-friendly energy and heating systems.



**MEALS DONATED:** Through the Foundation's partnership with the Comunità di Sant'Egidio, **400,000 meals** have been distributed **to people in need in Genoa**. An **additional 135,000 portions** have been donated thanks to the partnership between Costa Cruises and Fondazione Banco Alimentare.



**AIDA CRUISE & HELP:** AIDA Cruises' charitable program focuses on achieving long-term improvements in the **future prospects of children and adolescents in emerging and developing countries**, as well as on social and cultural projects on a regional and international scale.



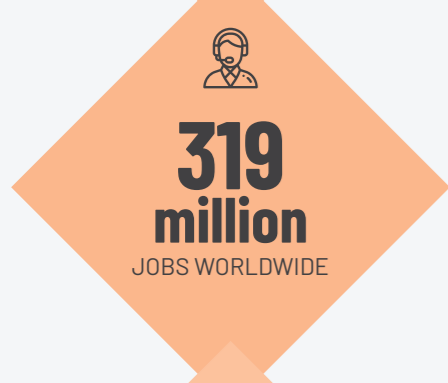
**FLY&HELP:** AIDA partnered with the FLY & HELP foundation for the construction of a **new primary school** in Cebu, an eastern region of the Philippines that was devastated by flooding and typhoons.



**MERCY SHIPS:** Since 2017 **our personnel volunteer time for Mercy Ships**, an international NGO aiming to improve access to basic medical care in developing countries and operating the largest civil hospital ship in the world. Mercy Ships volunteers were on board of our fleet for training purposes.



OUR INDUSTRY



# The tourism industry

## Key facts

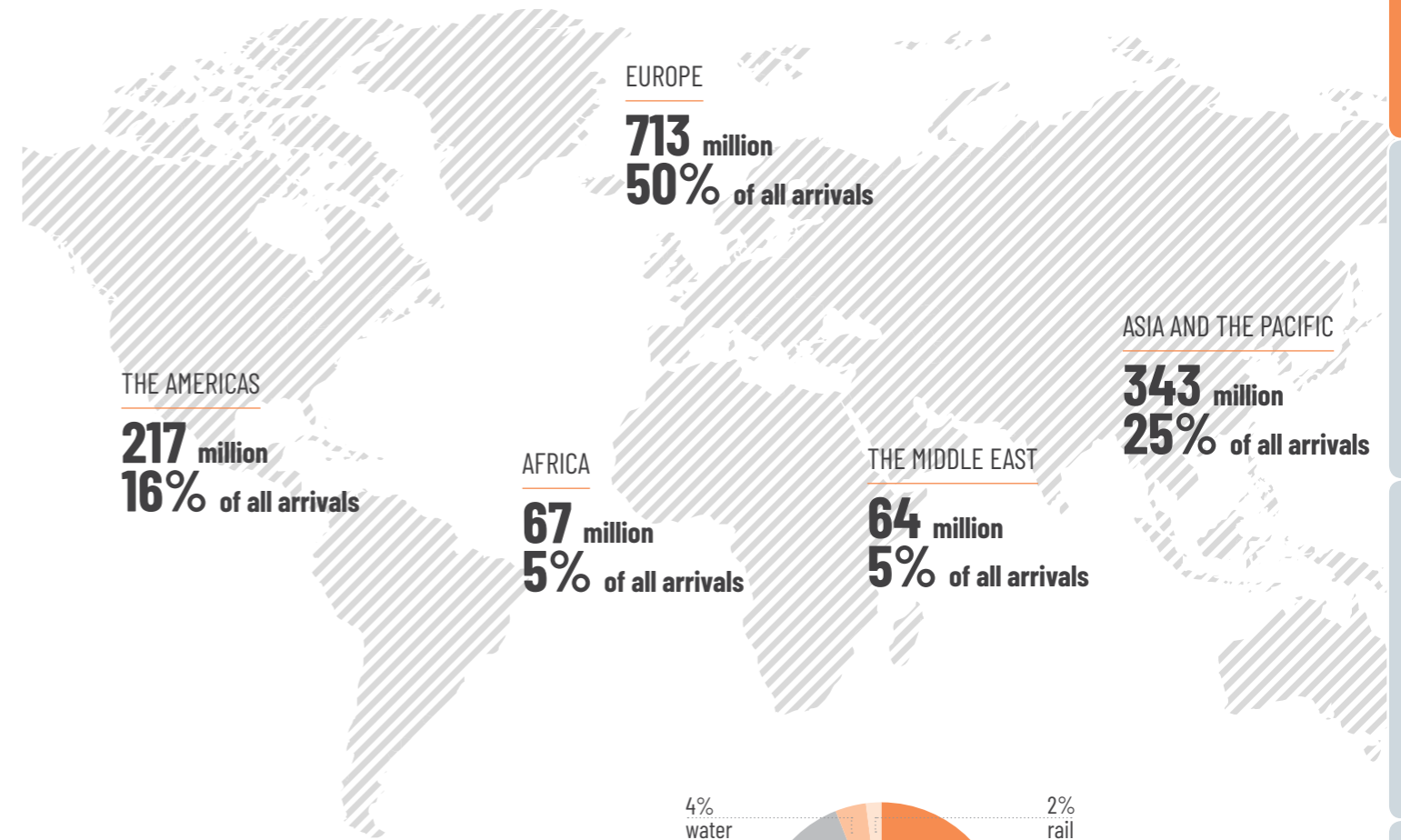
Global tourism is **one of the largest and fastest growing sectors in the world economy**. In the last 20 years the industry has **grown on average by 4% per year**, from 669 million tourists in 2000 to 1.4 billion tourist arrivals in 2018. The **UNWTO** expects this growth to continue, **forecasting 1.8 billion tourist arrivals by 2030**.

The tourism industry is not only supporting cultural exchange and preservation and providing unforgettable experiences, it also plays a key role in the creation of jobs, export revenue and domestic value added all over the world. In 2018 global tourism created an economic value of 8.8 trillion USD, equal to 10% of global GDP and created 319 million jobs – representing 1 in 10 jobs globally.

**Europe is the largest tourism destination**, having reached **713 million international arrivals in 2018**. Growth was driven mainly by Southern and Mediterranean Europe, Central and Eastern Europe and Western Europe.

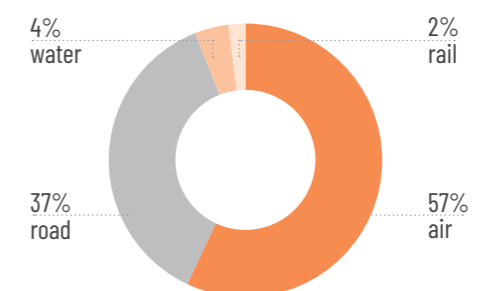
OECD, Tourism Trends and Policies 2018  
UNWTO World Tourism Organization  
World Travel & Tourism Council, Travel & Tourism continues strong growth above global GDP

## INTERNATIONAL TOURIST ARRIVALS IN 2018



## MODE OF TRANSPORT (2017)

More than 90% of all tourists travel by plane or ground transportation. Only 4% travel by water.







# The cruise industry

## Key facts

The cruise industry is **one of the fastest growing areas of global tourism**: in the last 30 years, it has **grown on average by 7% per year**. In 2019, 30 million guests are expected to go on a cruise vacation. Still, the cruise industry represents with 2% only a small fraction of total global tourism.

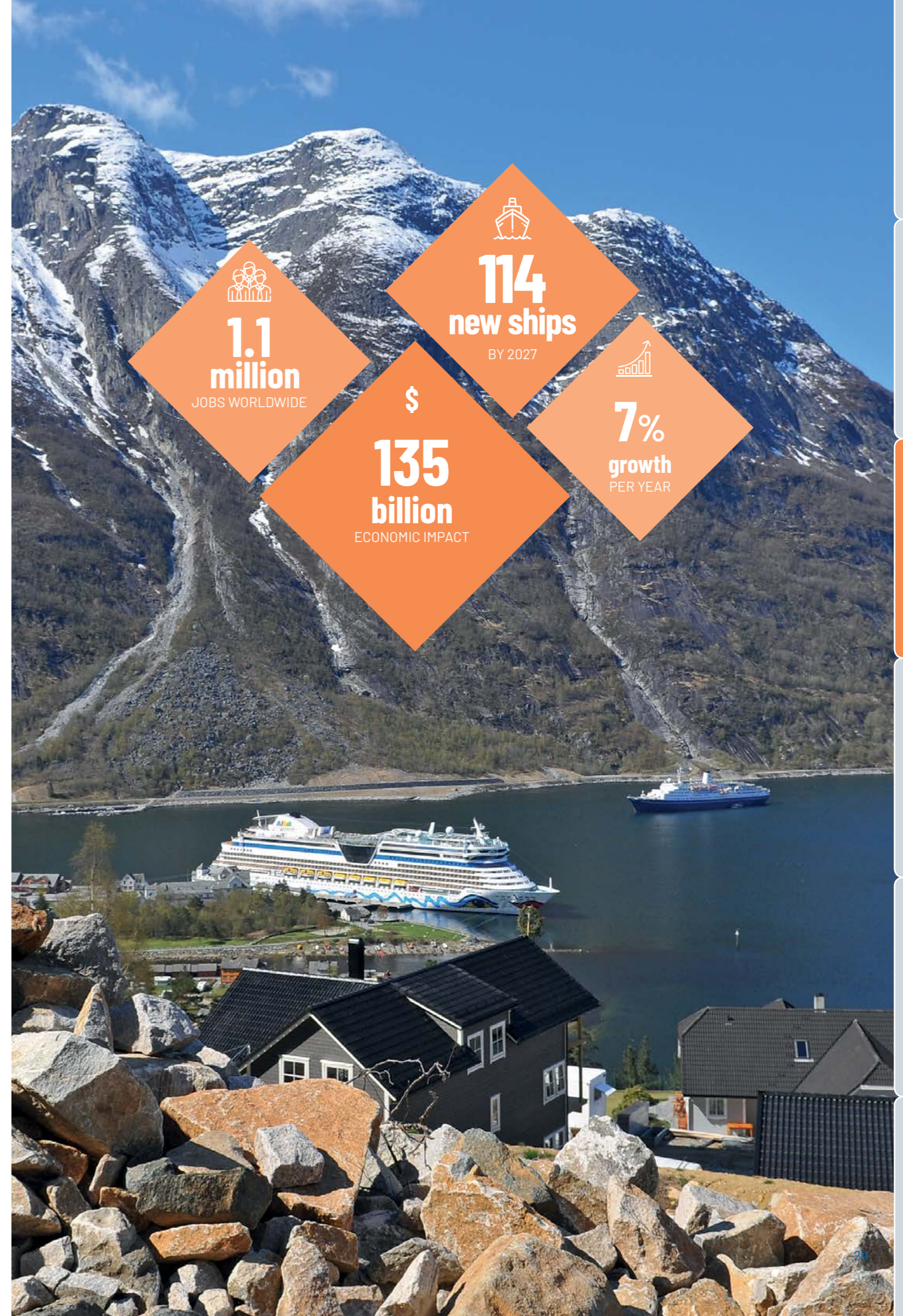
The cruise industry registers an estimated **turnover of 41.6 billion dollars in 2019**, and it creates a total of **1.1 million jobs** and an **economic impact of 135 billion dollars** across the globe. Europe accounts for 36% of these jobs (404,000) and 40% of the impact (48 billion euro).

**Europe is the world's second biggest cruise market** after North America both in terms of source of passengers and as a cruise destination. **In 2019, 7 million Europeans will go on a cruise and 25% of all global cruise passengers will cruise in European waters**, either in the Mediterranean or Northern Europe.

**In 2019, the global cruise fleet comprises of 410 ships** catering to the various passenger wishes – from contemporary to luxury. Another **114 ships will join the fleet by 2027**, representing an **orderbook value of 68 billion dollars**.

European shipyards are the heart of the world's cruise shipbuilding industry. They continue to build the world's most innovative and largest ships, with spending on newbuilds, maintenance and refurbishments constantly increasing.

Cruise Industry News Annual Report 2019  
 CLIA, Contribution of Cruise Tourism to the Economies of Europe 2017  
 CLIA, 2019 Cruise Trends & Industry Outlook  
 UNWTO World Tourism Organization, 2017 International Tourism Results: the highest in seven year



## 2019 in numbers

 **\$ 41.6 billion**  
SALES REVENUE

 **30 million**  
CRUISE GUESTS EXPECTED

 **410 ships**  
IN THE GLOBAL FLEET

OF WHICH

 **24 newbuilds**



# OUR IMPACT IN EUROPE



# Introduction

## Scope of this report

Costa Group decided to carry out this impact study with a strategic perspective: **provide a reliable quantification of the economic impact and the value that the Group generates in key countries and ports across Europe.**

Hence, Costa Group has engaged Deloitte to assist in the methodological design and execution of the analysis, in partnership with the Universities of Hamburg and Genoa.

The Input Output model (I/O model) has been considered as the best approach to estimate the impact in terms of **economic value** and **employment level**.

The perimeter of the analysis covers geographically the main operating areas of Costa Group **in the European continent**. In addition to the general overview, the analysis includes a specific focus on:

- ◆ **6 key countries** - Italy, Germany, Spain, France, Finland and Norway
- ◆ **2 regions** - Liguria in Northwest Italy, and the federal states of North Germany
- ◆ **11 strategic ports:**
  - Italy: Venice, Savona, Civitavecchia, Genoa
  - Germany: Hamburg, Kiel, Rostock-Warnemünde
  - Spain: Barcelona, Palma de Mallorca
  - France: Marseille
  - Norway: Bergen

All data and calculations included in the analysis refer to the **Fiscal Year 2018** (1<sup>st</sup> December 2017 – 30<sup>th</sup> November 2018).

Further details of the methodology are available in the dedicated chapter at the end of this report.

## Key questions

HOW MUCH



**Economic impact?**

HOW MANY

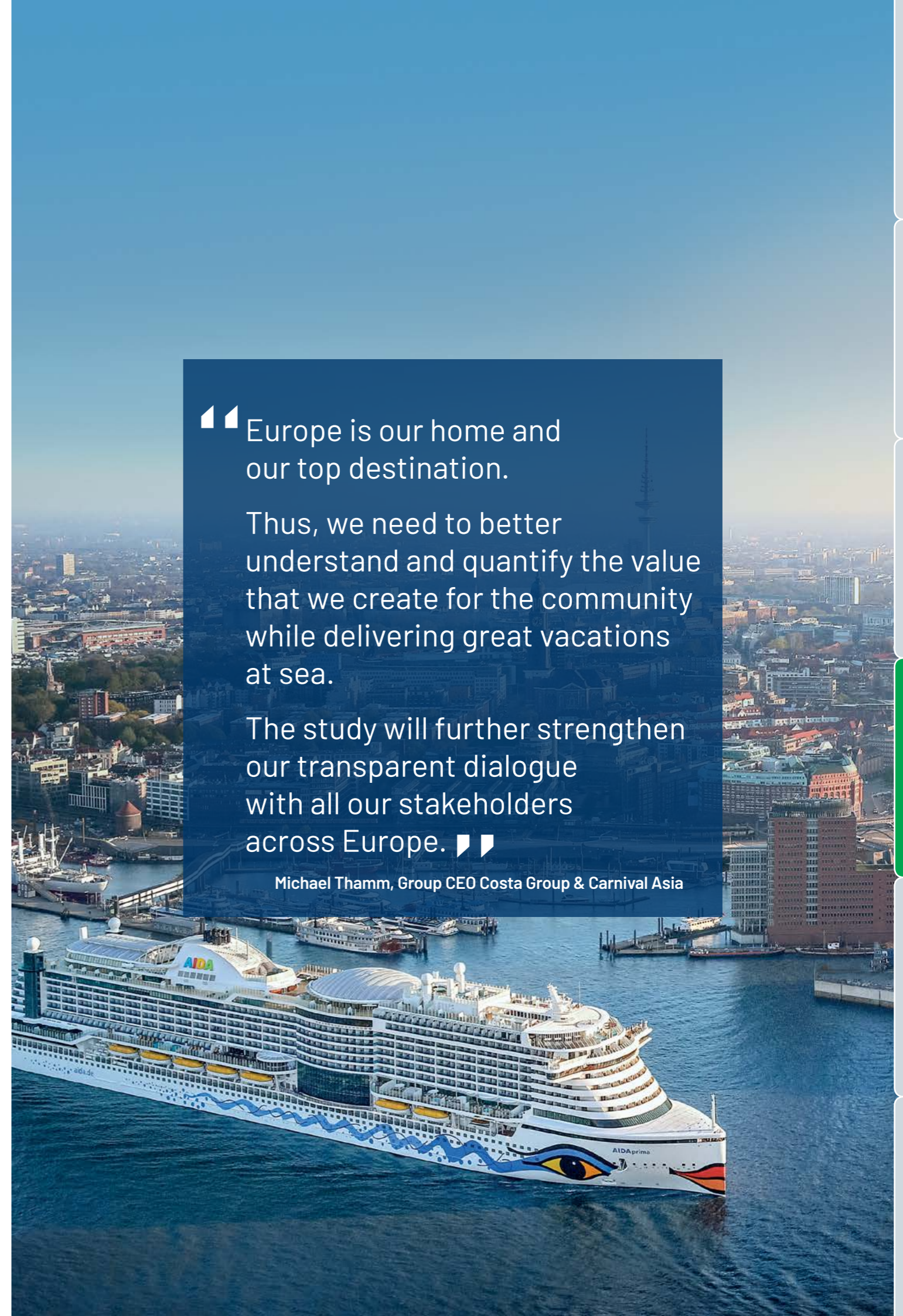


**Full-time jobs (FTE)?**

“Europe is our home and our top destination. Thus, we need to better understand and quantify the value that we create for the community while delivering great vacations at sea.

The study will further strengthen our transparent dialogue with all our stakeholders across Europe. ”

Michael Thamm, Group CEO Costa Group & Carnival Asia



# Our value chain

How we impact the economy

## CRUISE COMPANY

### SHIPBUILDING

A cruise ship's life begins with shipbuilding. The construction of a cruise ship takes about three years from first drawing to delivery, and involves many different stakeholders.

### SHIPYARD



SHIP DESIGNERS



HOTEL DESIGNERS



RAW MATERIALS



TECHNICAL SUPPLIES

### CRUISE OPERATIONS

During our daily operations, our guests and crew impact the destinations with their various activities ashore, while we work with a large number of suppliers to maintain and supply the ships, coordinate port calls and organize entertainment and hospitality services.

### SUPPLIERS



TECHNICAL SUPPLIES



HOTEL SUPPLIES



PORTS

### CREW & GUESTS



TRAVEL AGENCIES



GOODS AND SERVICES



FOOD



ACTIVITIES



TRANSPORTATION



ACCOMMODATION





# Categorization of impact

## Understanding the report results

To evaluate our economic impact we used two different perspectives to look at the results of the study:

1. The **impact type perspective** differentiates the total impact between direct, indirect and induced impact.

- ◆ **Direct impact** is defined as the economic activity resulting from direct spending by Costa Group, its guests and crew members. This includes money spent to pay for salaries, supplies and activities ashore.
- ◆ **Indirect impact** covers additional "upstream" business-to-business expenditures by suppliers and service providers, to meet the demand by Costa Group, its passengers and crew members. The indirect effect does not consider the initial round of spending which is included in the direct impact.
- ◆ **Induced impact** measures the household-to-business activity resulting from salaries paid to the employees involved in direct and indirect effects. This income will be spent by the employees and their families to cover their costs of living and leisure activities.

2. The **activity category perspective** differentiates the total impact between the different cruise line activities that have triggered the impact. For the purpose of this report we distinguish 6 different categories (see box on the left).

## Activity categories



Shipbuilding



Destination activities  
GUESTS AND CREW



Arrival & departure  
GUESTS, CREW AND STAFF



Port costs

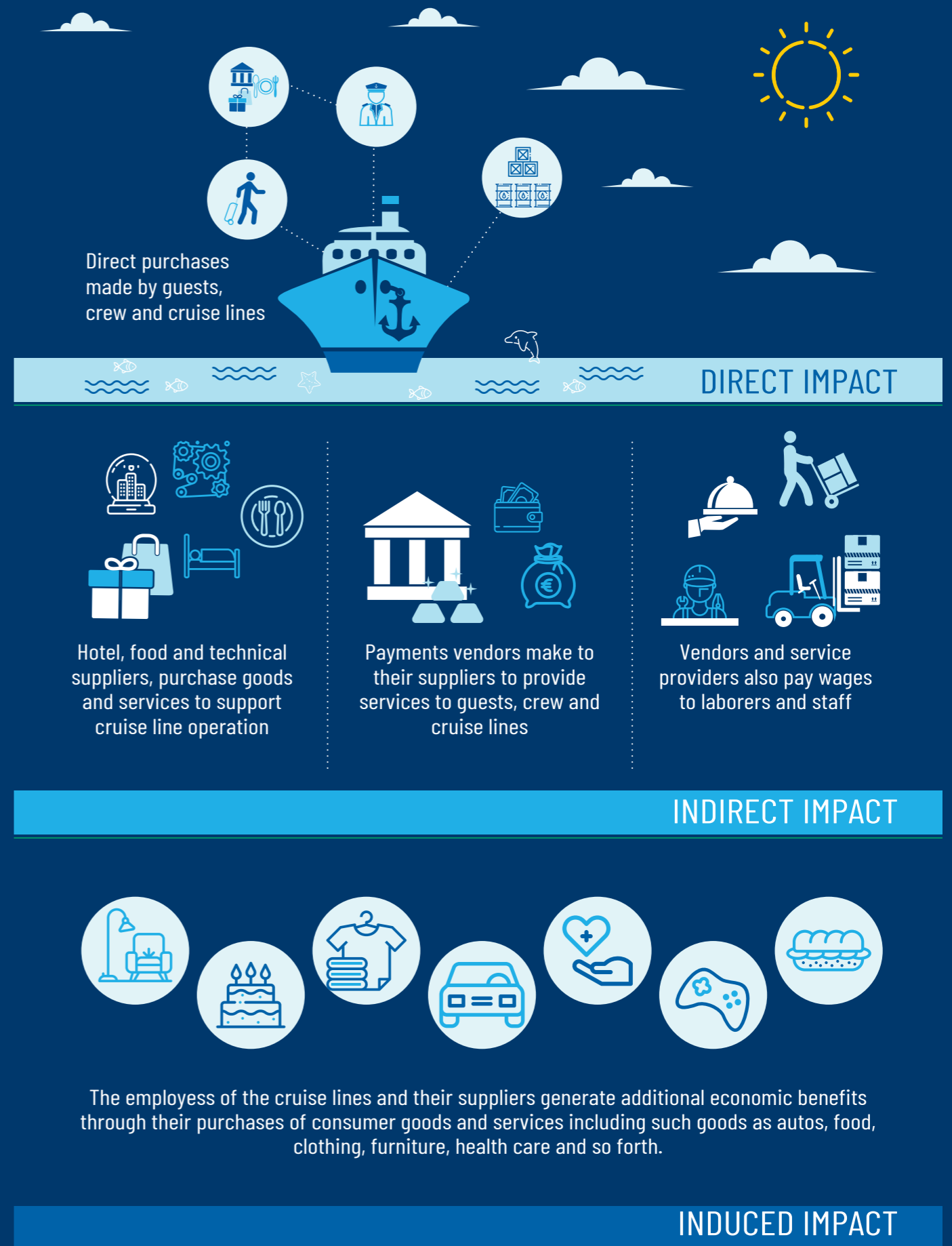


Employment & training



Other purchases

## THE THREE IMPACT TYPES





# Our economic impact in Europe

## Overview

The results of our economic impact study show that in 2018 Costa Group generated an **estimated economic impact of 12.6 billion euro** and an **employment impact of over 63,000 full time jobs** across Europe.

The economic value that we generated is almost equal among direct and indirect (38% and 36% respectively).

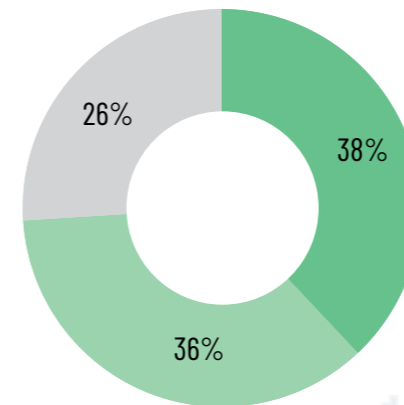
**Shipbuilding accounts for a significant portion** of the generated value (36%), due to the investment plan that Costa Group has launched with the construction of new ships at the Fincantieri shipyards of Marghera and Monfalcone in Italy and at Meyer Werft shipyards in Papenburg in Germany, and Turku in Finland, with all that this means for indirect and induced impacts.

The **second largest** part of the value that Costa Group generated in 2018 is represented by **destination activities (23%)**, meaning that our guests and our crew members expenditure in the destinations **trigger a positive economic growth for local communities and businesses**.

**Italy and Germany** are the countries largely benefitting from our activities both in terms of economic value and employment generation, given the historic presence of our headquarters and shipyard partnerships, followed by Finland - where shipbuilding impact plays a major role -, Spain, France and Norway.

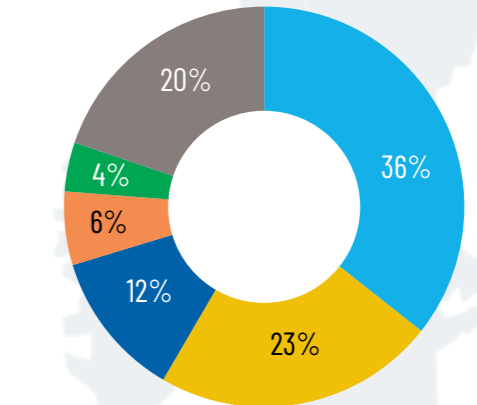
OUR IMPACT  
€ 12.6 billion

BY TYPE (%)



Direct Indirect Induced

BY CATEGORY (%)



Shipbuilding Employment & Development  
Destination activities Port costs  
Arrival & departure Other purchases

## OUR FOCUS COUNTRIES

	TOTAL IMPACT (€)	JOB (FTE)
GERMANY	3.8 BILLION	17,663
ITALY	3.5 BILLION	16,920
FINLAND	1.5 BILLION	6,944
SPAIN	1.1 BILLION	6,402
FRANCE	481 MILLION	2,165
NORWAY	340 MILLION	1,077



4,067

PORT CALLS



2 million guests

ON EUROPEAN ITINERARIES



12.3 million

PASSENGER MOVEMENTS



63,084 jobs

CREATED



10,458 suppliers

FROM EUROPE



# The power of shipbuilding

Europe is where Costa Group builds its ships given the high quality of European shipyards' capabilities and technologies. The Group has built solid relationships with **Fincantieri in Italy** and **Meyer Werft in Germany and Finland**.

Our current **expansion plan** entails the addition of **5 new builds by 2023** for a **total investment of over 6 billion euro**.

Our total shipbuilding impact across Europe amounts to **4.5 billion euro** and **20,300 full-time jobs**. Naturally, the largest shipbuilding impact is concentrated in the shipyard locations - Italy, Germany and Finland - however the benefit extends to other countries, including Romania, Norway, Sweden, UK, Poland and The Netherlands.



€ 4.5 BILLION ECONOMIC IMPACT      20,300 JOBS

Country	Economic Impact (%)	Jobs (%)
Finland	33%	33%
Italy	27%	24%
Germany	26%	24%
Others	15%	29%

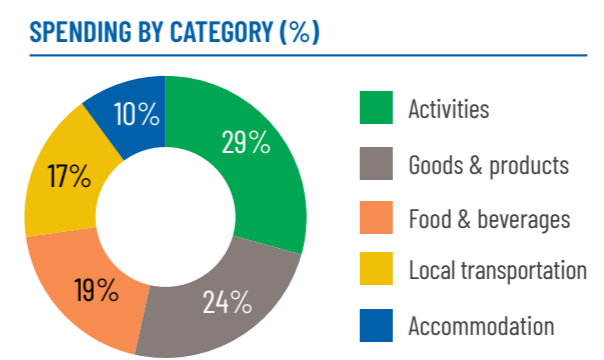
# Guest destination activities

Our guests play a significant part of the value we create in our destinations. We launched an extensive survey to guests who traveled with us in 2018 in order to assess the impact of guest experience on our overall economic contribution. **Over 30,000 guest responses** provided **new insights on individual guest spending** in 13 selected destinations, on top of shoreside activities arranged by Costa Group.

The results show that **our passengers spend on average 74.60 euro per port call**, considering transit and turnaround calls as well as individual spending, transport and activities purchased via us. The figure is in line with findings of other studies conducted by CLIA or individual ports. **Over 50%** of the guest spending is used **for activities and shopping**. In turnaround calls, more impact is generated as passengers call the port twice, however most of the value is created before embarking on the cruise.

The survey also confirms that cruises are an important generator of local tourism: **60% of our guests state that they will definitely or most likely return to the destination**.

€ **74.60**  
AVERAGE SPENDING PER CALL



**60%**  
OF OUR GUESTS WILL DEFINITELY OR MOST LIKELY VISIT AGAIN



COUNTRY  
REPORTS





# Italy

Introduction

Our company

Our industry

Our impact in Europe

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**16,920**  
JOBS

**4,764**  
SUPPLIERS

€  
**3.5 billion**  
TOTAL ECONOMIC IMPACT

**53%**  
MARKET SHARE IN 2018

## OUR IMPACT

# Italy

## Economic impact

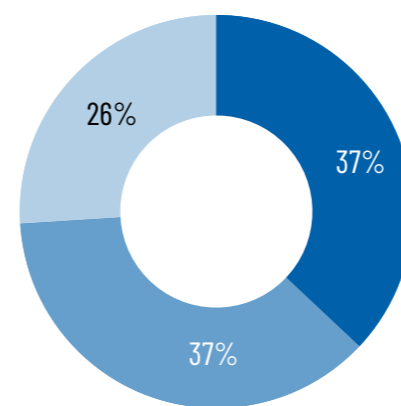
Italy is the home of Costa Group, where the Costa Cruises brand started operations more than 70 years ago. Today, Costa Group is market leader in Italy with a 53% market share. All Costa Group's ships proudly carry the Italian flag around the world.

The long coastline offers numerous fascinating year-round destinations for our Costa and AIDA ships. Additionally, we work with a large number of Italian suppliers that support our operations from shipbuilding, through our long-standing partner Fincantieri, to design, and food&beverage through partnerships with renown Made in Italy brands and excellences.

We have invested in several Italian companies - from terminals to technical suppliers and commercial companies. Today Costa holds 100% of the passenger terminals in Savona and is a shareholder of the cruise terminals in Civitavecchia, Venice, Trieste, Naples, Genoa and La Spezia. Costa Group is main shareholder of Ecospray, Italian-based leading manufacturer of scrubbers for the naval sector.

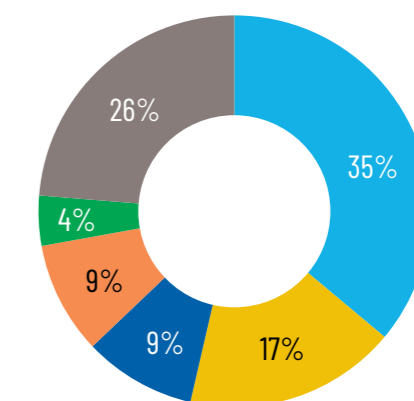
Carnival Corporation is also one of the leading foreign investors in Italy. From 1990, the construction of about 80 ships for its various brands has been entrusted to Fincantieri, for a total investment of around 32 billion euro.

### BY TYPE



■ Direct ■ Indirect ■ Induced

### BY CATEGORY



■ Shipbuilding ■ Employment & development  
 ■ Destination activities ■ Port costs  
 ■ Arrival & departure ■ Other purchases

**3.2 million**  
PASSENGER MOVEMENTS

**20**  
DESTINATIONS

**852**  
PORT CALLS

**3,249**  
EMPLOYEES



**912,944**

PASSENGER MOVEMENTS IN 2018

**1.2 million**

EXPECTED IN 2019



**214**

PORT CALLS IN 2018

**243**

IN 2019



**1,107**

EMPLOYEES

# Liguria

## Economic Impact

With the ports of call of Genoa and La Spezia, the home port in Savona and the Headquarters located in Genoa, **Liguria is the Italian region mostly benefiting from Costa Group's activities.**

Costa has **important investments in terminal infrastructures in the Region** - in Genoa, the state-of-the art cruise terminal in Savona and is also planning to invest in a new cruise terminal in La Spezia in the future.

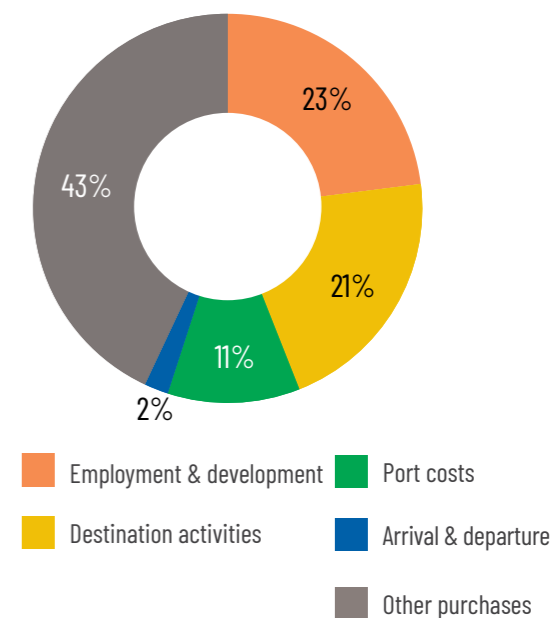
The Group is also contributing to the **training and education of younger generations** with the one and only school-to-work transition programs of the industry with the Academy of Advanced Training for Shipboard Hotels in Arenzano.

Our **development plan for the next three years will see us boost our presence across the Region**, also thanks to a fruitful partnership with local authorities. As of March 2019, the Costa Fortuna regularly calls Genoa, marking Costa Cruises' return to the city; AIDAnova calls regularly in La Spezia and Costa Smeralda will be deployed on an itinerary including two Ligurian ports, La Spezia and Savona.

In addition to the direct benefits stemming from the increased calls, Costa's contribution is growing in terms of **job creation.**



### IMPACT BY CATEGORY





# Port of Genoa

## Economic Impact

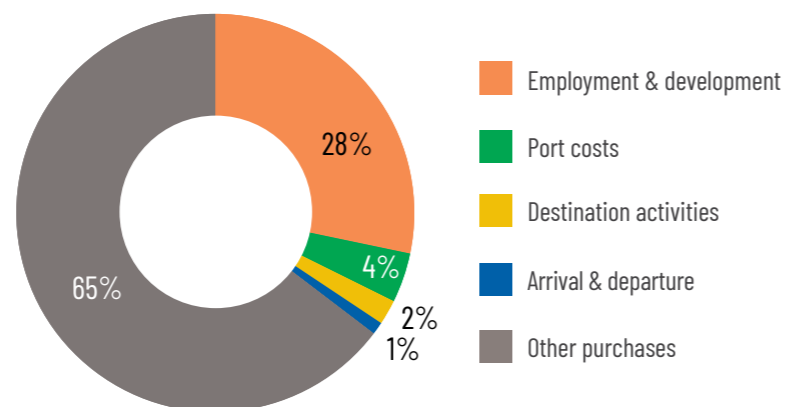
Genoa has been **Costa Group's home for the last 70 years**. It hosts the Group's Headquarters from where many of our operations are managed by our 738 employees.

After 15 years of absence, as of March 2019 the Costa Fortuna regularly calls in Genoa every Friday for a total of 40 port calls scheduled in the year. In 2020, Costa Fortuna will be replaced by Costa Pacifica, thus increasing the number of passengers that will be able to enjoy the beauties of the city and its surroundings. Moreover, **Costa** has announced its intention to **build a new terminal in the city**.

In line with the Group's commitment towards the progressive reduction of the environmental impact of its fleet, in **July 2019**, **Costa Cruises joined the "Genoa Blue Agreement"** which foresees the use of fuel with a sulfur content of no more than 0.1% before entering the port and not just during docking as provided by the current regulation.

Following the Morandi Bridge collapse, Costa decided to help the city overcome the emergency. Through different fundraising projects and investments made by the **Costa Crociere Foundation**, a series of projects have been funded, including a new recreational center for the citizens of the Certosa district.

## IMPACT BY CATEGORY





# Port of Savona

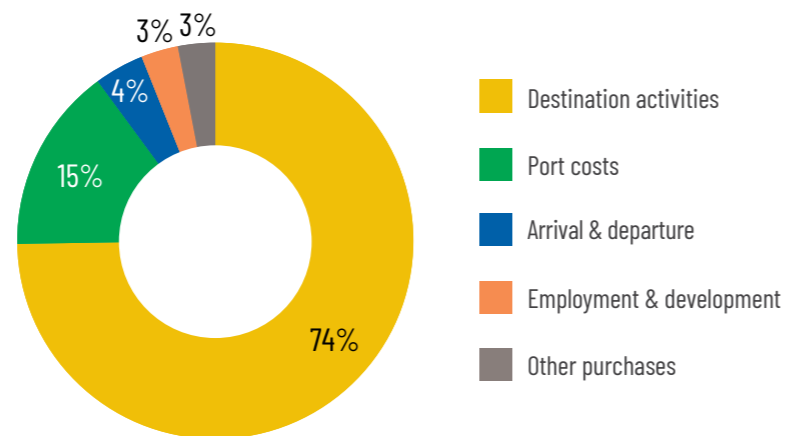
## Economic Impact


Savona has been the **home port of Costa Cruises since 2003** and is now the fourth busiest cruise port in Italy. In 2015, Costa Cruises signed a Memorandum of Understanding with the Municipality and the Port Authority aimed at **promoting the sustainable development of the cruise sector in the city.**

Costa's structured dialogue with local stakeholders has contributed to the planning and development of the port area, where there are now **two purpose-built cruise terminal buildings.** The extension of the terminal concession agreement until 2044, together with the works for the harbor area (with a forecasted investment of 4.5 million euro), lay the foundations for the **further consolidation of the company's strategic presence in Savona** and for the arrival of Costa's new LNG flagship, Costa Smeralda.

With the signing of the **"Genoa Blue Agreement"**, promoted also by Savona's Harbor Master, Costa Group has committed to the use of fuel with a sulfur content of no more than 0.1% before entering the port of Savona, and not just during docking as provided by the current regulation, in line with the Group's efforts towards the progressive reduction of the environmental impact of its fleet.

### IMPACT BY CATEGORY



  
**848,991**  
 PASSENGER MOVEMENTS

  
**185**  
 PORT CALLS

  
**42**  
 EMPLOYEES



# Port of Venice

## Economic Impact

Venice is at the same time one of the most fascinating and fragile destinations in the world. In 2017, cruise guests made 11% of the total tourists in the city.

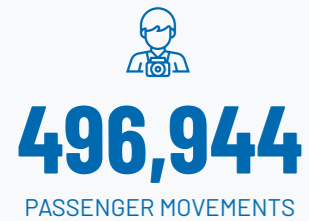
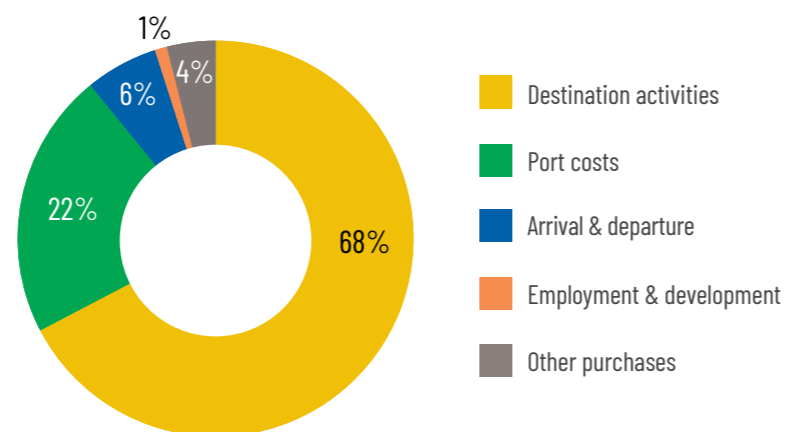
**Costa Group respects the city's delicate ecosystem** and, true to the company's commitment to the sustainable development of the cruise industry, **actively participates in all discussion tables** organized by CLIA with local and national institutional representatives **to identify viable solutions for the cruise industry development in Venice.**

Through the voluntary "Blue Flag Agreement", the Group has committed to **reducing its sulfur emissions** to protect the Venice ecosystem, the marine environment and the city's historical heritage.

For both AIDA and Costa, Venice represents the **starting port for East Mediterranean cruises.** Costa Group is also direct shareholder of Venezia Investimenti, with 25% of shares, and therefore indirectly of Venice Passengers Terminal.

Through the long-standing partnership with Fincantieri, the Group is currently building the new Costa Firenze, destined to the Chinese market and due to be delivered in 2020, in the Marghera shipyard.

### IMPACT BY CATEGORY





# Port of Civitavecchia

## Economic Impact


Civitavecchia is **one of the leading cruise ports in Europe**.

Together with a pool of partners, **Costa Group has funded the new cruise terminal**, specially designed to accommodate cruise ships and to handle passenger movements effectively with quality facilities. More than 50 firms, 20 of which based locally, were involved in the construction of the terminal, with a **total investment exceeding 20 million euro**.

As the name suggests, the Rome Cruise Terminal in Civitavecchia is a gateway for many AIDA and Costa guests to visit the beauties of Rome. Fruitful partnerships have been therefore built in both Civitavecchia and Rome, and the total value generated by Costa Group is representative of both local communities together.

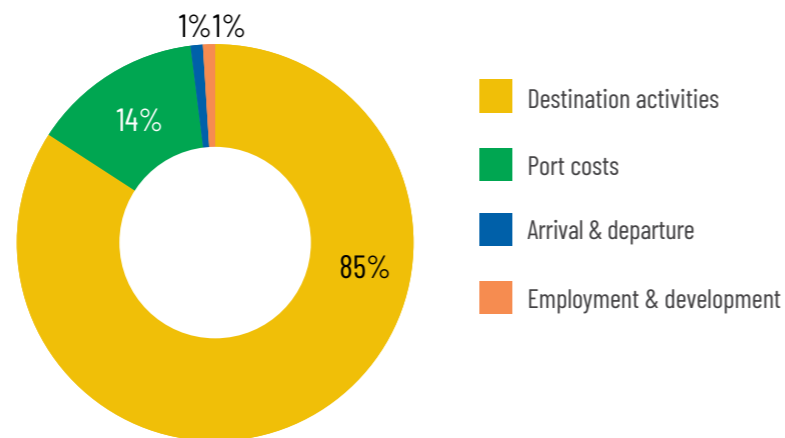
The Group's new LNG-fueled flagship, AIDAnova, regularly calls in Civitavecchia and Costa Smeralda will join later in 2019.



  
**568,481**  
 PASSENGER MOVEMENTS

  
**145**  
 PORT CALLS

### IMPACT BY CATEGORY





# Germany

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**1.1 million**  
PASSENGER MOVEMENTS

**4**  
DESTINATIONS

**240**  
PORT CALLS

**4,120**  
EMPLOYEES

# Germany

## Economic Impact

Germany is **one of the countries where Costa Group generates the highest value**. With our two brands, AIDA Cruises and Costa Cruises, we represent **50% of the German cruise market**.

Specifically, Germany is the **home country of AIDA Cruises**, which has been the driving force of the German cruise market for more than 20 years, developing into one of the most successful tourism companies in Germany and becoming the market leader in cruise tourism. Since 2015, **our marine operations unit Carnival Maritime GmbH is also located in Hamburg**.

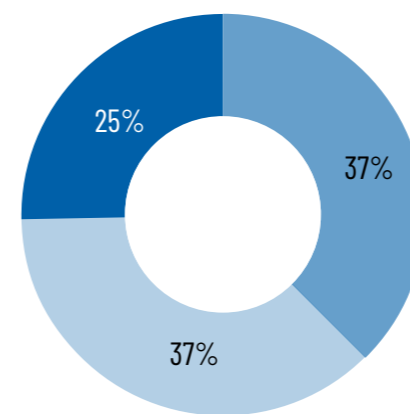
Moreover, Germany is an **important shipbuilding location** due to the Group's strong relationship with Meyer Werft shipyards in Papenburg.

German maritime experts, especially in the north of the Republic and beyond, are significantly benefiting from our Group's growth. **We are working with 3,611 suppliers** representing a wide range of sectors, from excursion agencies to food suppliers, from ports to technical service providers and subcontractors.

Finally, Germany is a starting point for many of our cruises into the North and Baltic Sea.

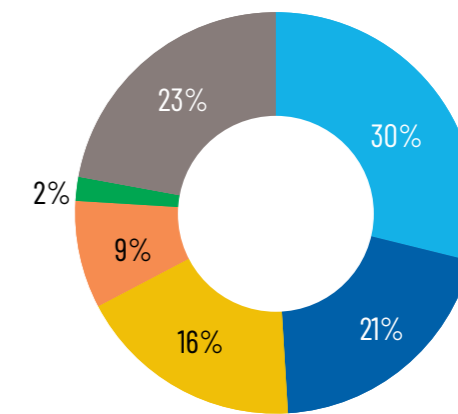
## OUR IMPACT

### BY TYPE



■ Indirect ■ Induced ■ Direct

### BY CATEGORY



■ Shipbuilding ■ Employment & development  
 ■ Arrival & departure ■ Port costs  
 ■ Destination activities ■ Other purchases



  
**1.1 million**  
 PASSENGER MOVEMENTS

  
**240**  
 PORT CALLS

  
**1,985**  
 EMPLOYEES

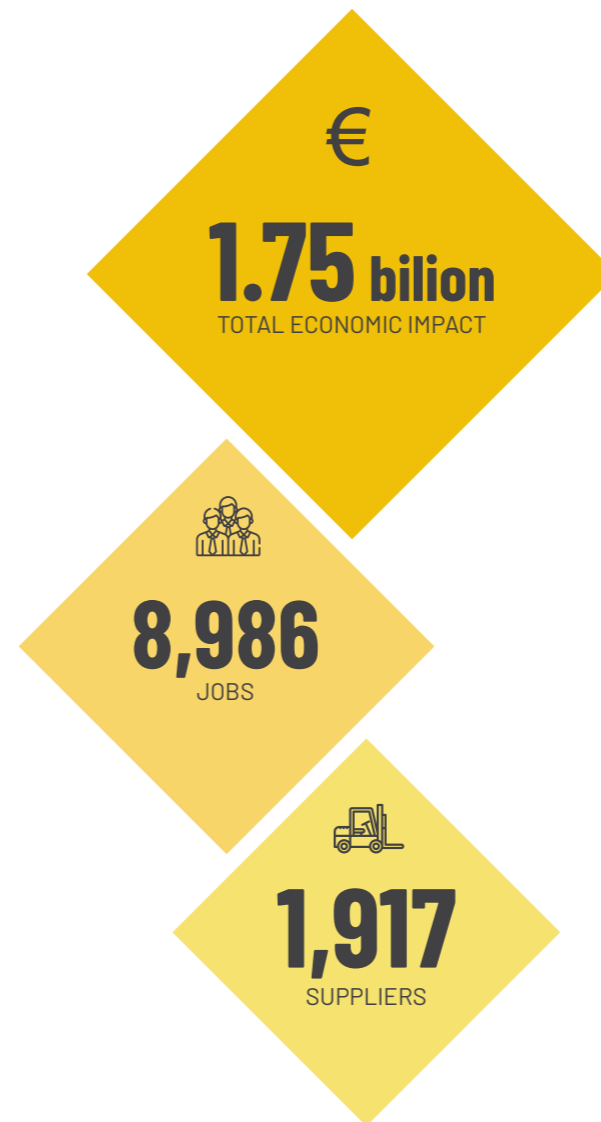
# North Germany

## Economic Impact

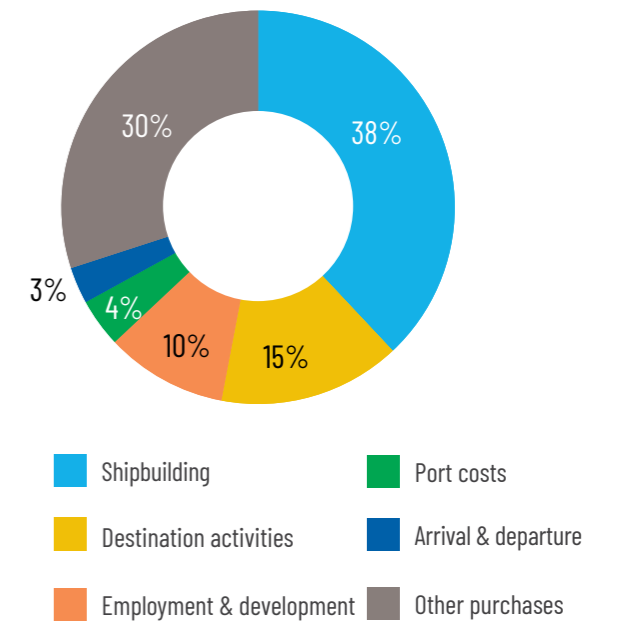
With four ports of call - Hamburg, Kiel, Rostock and Bremerhaven - and the Headquarters of AIDA Cruises and Carnival Maritime, North Germany regions (Hamburg, Schleswig-Holstein, Lower Saxony, Mecklenburg-Western Pommerania, Bremen) are **greatly benefiting from Costa Group's activities**, often through synergies created with local competencies in the maritime sector.

By 2023, AIDA Cruises will invest in **the next two cruise ships of the LNG generation "Made in Germany"**, which will be built in Rostock and Papenburg. We placed the **first billion-euro order** for these innovative ships, which can be powered with low-emission liquefied natural gas (LNG), **with the Meyer Werft shipyard in Papenburg, Lower Saxony, back in 2015**. AIDA welcomed the first ship of this series in December 2018.

In 2017, Costa began a **partnership with Bremerhaven** and is the only cruise line today offering shore excursions in the city and in the region.



### IMPACT BY CATEGORY





# Port of Hamburg

## Economic Impact

In 2018, the Port of Hamburg, which is also home of AIDA Entertainment and Carnival Maritime, was the **number one German cruise port**.

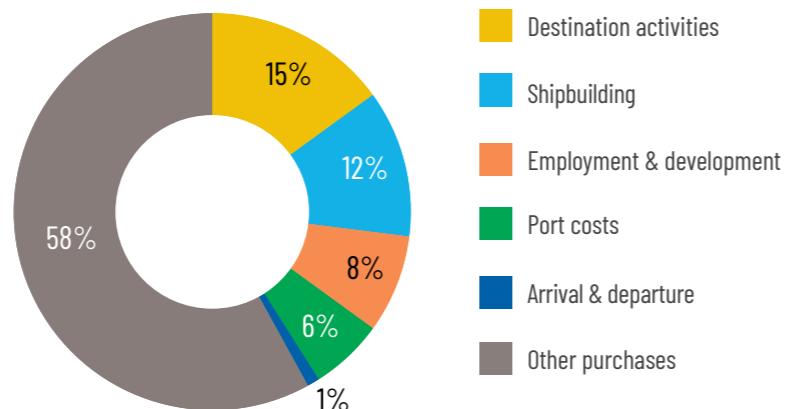
In recent years, together with the Hanseatic city of Hamburg, we have implemented various pioneering projects for the use of alternative energy sources in the Port of Hamburg. The development of **Europe's first shore power plant in Hamburg Altona** is an important contribution.

Since 2017, AIDAsol has been successfully supplied with electricity from regenerative sources in Hamburg Altona.

Ten ships of the AIDA fleet are currently equipped with a shore power connection or are technically prepared for it. **All AIDA ships built from 2000 onwards (12 ships)** will be able to **use shore power by the end of 2020**.

German ports also benefit from the ongoing growth of the cruise industry. In 2018, the Port of Hamburg maintained its top position as the number one German cruise port, recording around 915,000 cruise guests. Cruise ship docked in the port of Hamburg a total of 220 times, 86 of which were AIDA ships.

## IMPACT BY CATEGORY



**517,555**  
PASSENGER MOVEMENTS

**94**  
PORT CALLS

**509**  
EMPLOYEES



# Port of Rostock

## Economic Impact

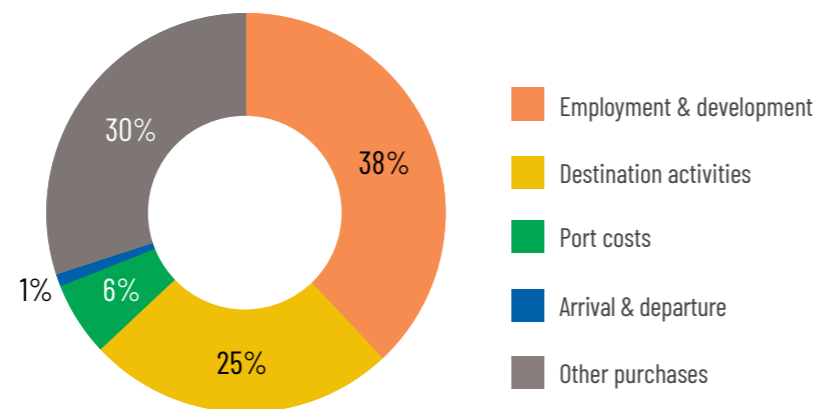
Headquartered in Rostock, AIDA Cruises is **one of the biggest private employers and a growth engine for the region.**

The successful development of the Hanseatic City of Rostock is for more than 20 years closely linked to the economic development of AIDA Cruises.

Together with the port of Rostock, the Costa Group developed Warnemünde into one of the most important ports in the Baltic Sea region. With a total of **44 calls of AIDA ships** and **17 calls of Costa ships**, Costa Group is the most important economic booster for cruise tourism in Rostock.

In September 2018 AIDA Cruises, the state of Mecklenburg-Western Pomerania, the City of Rostock and Rostock Port have agreed to jointly promote environmentally friendly and sustainable cruise shipping. The partners will work together to **build a shore power plant for cruise ships** at the port of Rostock, which is likely to be operational **by 2020.**

### IMPACT BY CATEGORY



  
**302,206**  
PASSENGER MOVEMENTS

  
**61**  
PORT CALLS

  
**771**  
EMPLOYEES



# Port of Kiel

## Economic Impact

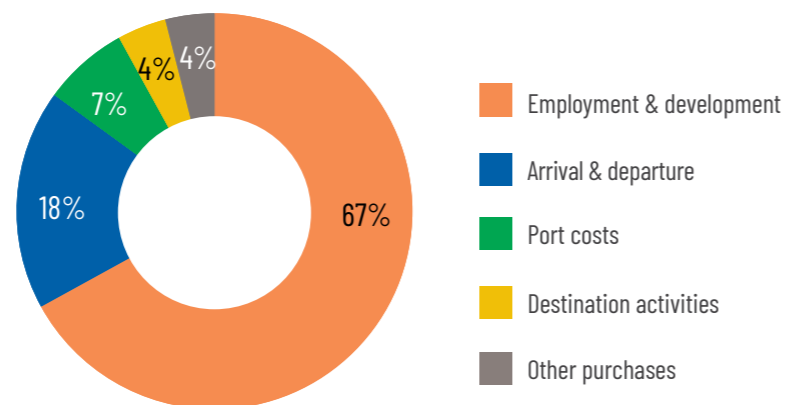
In 2018, the port of Kiel **ranked third in Germany** among all the important cruise ports. With 67 visits by Costa Group's ships, the company is the **most important partner of the Kiel Fjord** and contributed significantly to its positive results.

The development of the Port of Kiel into one of the leading cruise ship ports in Germany is closely linked to the successful development of AIDA Cruises.


The first vessel of the AIDA fleet, today's AIDAcara, visited the city of Kiel on its first voyage on June 8, 1996. With the further growth of the AIDA fleet, AIDA Cruises has developed Kiel into a **popular German port of departure and destination** for travel to Northern Europe and the Baltic Sea.

AIDA and the seaport of Kiel share a long-standing partnership. With 60 calls by four AIDA ships this year, **AIDA Cruises** is again the **most strongly represented cruise line in Kiel** and continues to be an important economic factor and magnet for many residents and guests. Costa Cruises is also calling in Kiel for cruises in the Baltic and to Norway.

### IMPACT BY CATEGORY



  
**271,351**  
 PASSENGER MOVEMENTS

  
**67**  
 PORT CALLS



# Spain



**307**  
SUPPLIERS



**6,402**  
JOBS



**1.1 billion**  
TOTAL ECONOMIC IMPACT

**3.4 million**  
PASSENGER MOVEMENTS

**24**  
DESTINATIONS

**948**  
PORT CALLS

**170**  
EMPLOYEES

# Spain

## Economic impact

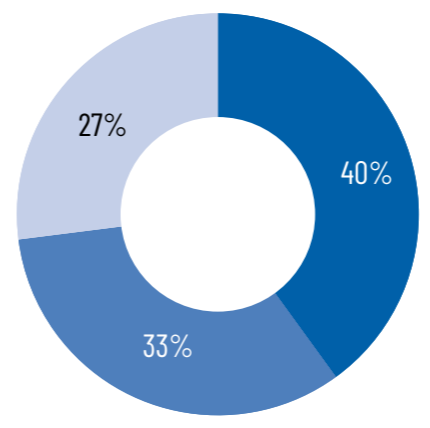
Spain is a strategic source market for Costa Group. As a **key year-round destination for both Costa Cruises and AIDA Cruises**, Spain is very much enjoyed by cruise passengers who travel the Mediterranean, with Barcelona and Palma de Mallorca being main destinations of our ships, including AIDAnova, the first LNG powered cruise ship in the world.

**Costa Cruises holds 100% shares of the passenger terminal in Barcelona.** Moreover, thanks to the partnership signed with Shell Western LNG, Barcelona has become a **key LNG bunkering facility** for AIDAnova.

The upcoming Costa Smeralda and the next generation of Costa Group's "green" cruise ships will be regularly supplied with LNG in Barcelona and in Palma de Mallorca.

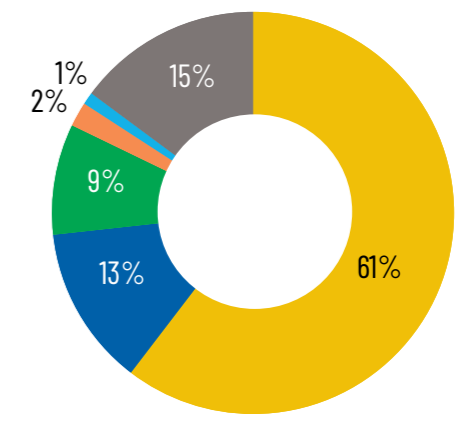
## OUR IMPACT

### BY TYPE



Direct Indirect Induced

### BY CATEGORY



Destination activities Employment & development  
Arrival & departure Shipbuilding  
Port costs Other purchases



# Port of Barcelona

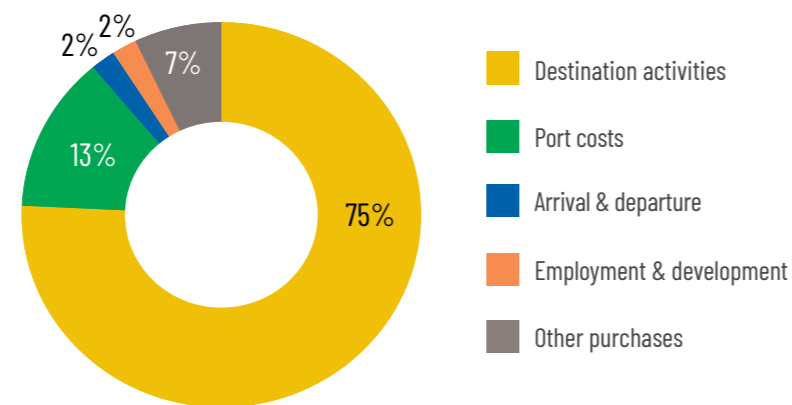
## Economic Impact

Barcelona is a **major port for our cruises** in the Mediterranean and is currently the **largest cruise port to offer LNG bunkering**.

The choice of LNG-fueled ships, which is central to the development strategy of Costa Group, entails the need for suitable port infrastructure and innovative choices ensuring accommodation for very large ships that have specific bunkering needs. In 2018 **the Group made major investments** for the construction of the **Helix Cruise Center, a terminal accommodating next-generation "green" cruise ships powered by LNG**.

Thanks to the partnership with Shell, AIDAnova is regularly supplied with LNG in Barcelona. The same process will be followed for Costa Smeralda and the next generation of "green" cruise ships.

### IMPACT BY CATEGORY



  
**835,200**  
 PASSENGER MOVEMENTS

  
**211**  
 PORT CALLS

  
**66**  
 EMPLOYEES

€  
**84**  
 AVERAGE GUEST SPENDING PER DAY







# Port of Palma de Mallorca

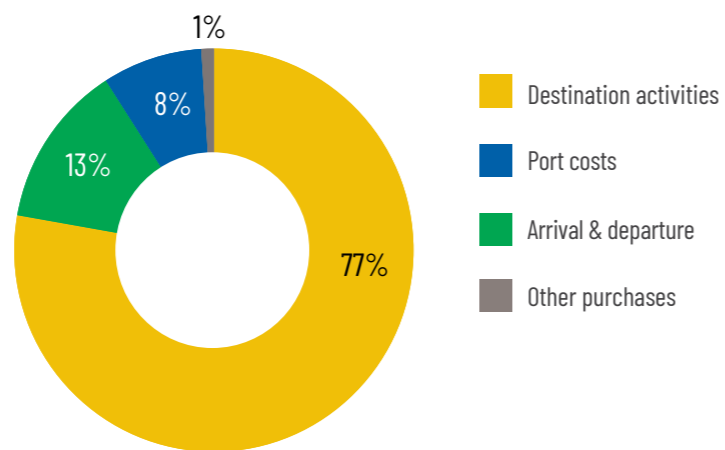
## Economic Impact


Since 1996 Costa Group has established a strong partnership with the port of Palma de Mallorca, which was developed to be **the most important hub and turnaround port** for all our cruises in the West Mediterranean.

Many of our guests combine their cruise with a longer stay on the island. Short flight times, modern port facilities and a well developed tourist infrastructure make Palma very attractive for cruise passengers and a **year-round destination for cruise tourism**, thus creating value and securing jobs even outside the high season.

**AIDA's partnership with the port has been very solid**, especially after the christening of AIDAPERLA in June 2017 and the traditional plaque & key ceremony of AIDA nova in April 2019. With these celebrations, AIDA Cruises has further expanded its commitment to the Mediterranean and to the Balearic Islands.

### IMPACT BY CATEGORY



  
**915,628**  
 PASSENGER MOVEMENTS

  
**190**  
 PORT CALLS

€  
**87**  
 AVERAGE GUEST  
 SPENDING PER DAY



# France



434  
SUPPLIERS

2,165  
JOBS

€  
481 million  
TOTAL ECONOMIC IMPACT



1  
million  
PASSENGER MOVEMENTS



10  
DESTINATIONS



281  
PORT CALLS



183  
EMPLOYEES

# France

## Economic impact

France is one of our year-round destinations and a country where we are **market leaders** with a market share of 47%.

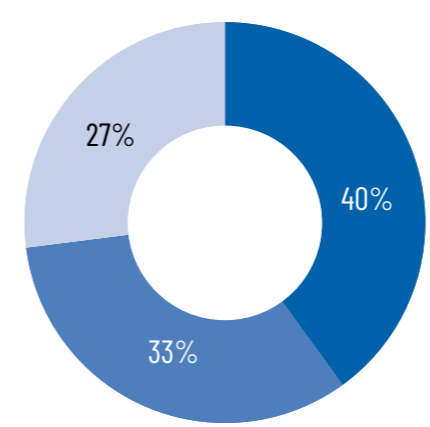
Costa Group is making significant investments in the country, especially in infrastructures - terminals and shipyards - and in training and skill development. The Group has a **50% stake in the Marseille Cruise Terminal**, and a **33% investment in Chantier Naval de Marseille**, one of the most important drydocking and ship repair facilities in the Mediterranean.

In line with its commitment to sustainability, Costa Group has also worked to strengthen its efforts towards **environmental protection, emission control and monitoring**, working in partnership with local institutions and the port authority.

Our guests are invited to explore the beauties of southern France, from Provence to Camargue, to Côte d'Azur, to the UNESCO World Heritage Site of Avignon.

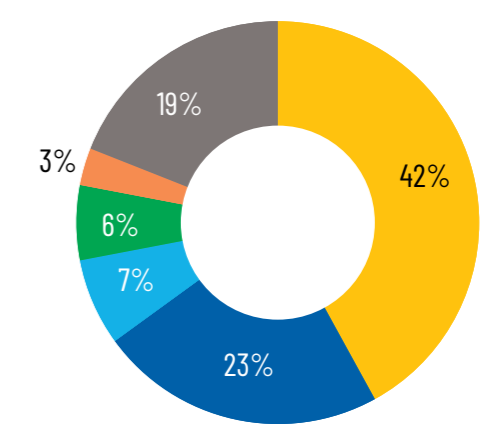
## OUR IMPACT

### BY TYPE



■ Direct ■ Indirect ■ Induced

### BY CATEGORY



■ Destination activities ■ Port costs  
 ■ Arrival & departure ■ Employment & development  
 ■ Shipbuilding ■ Other purchases



# Port of Marseille

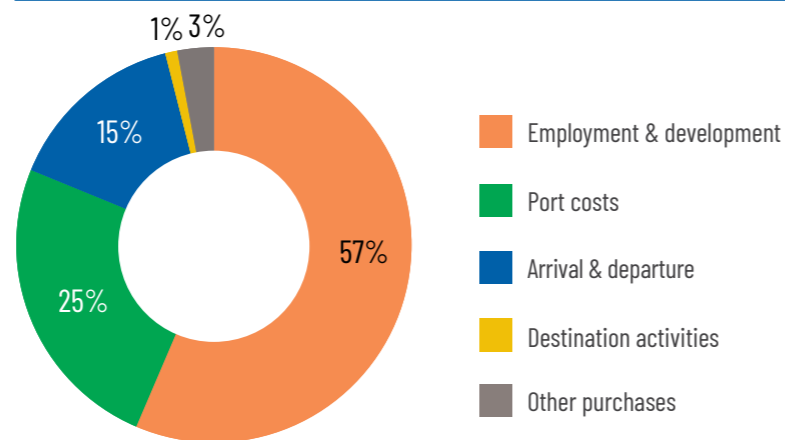
## Economic Impact


Marseille is at **the center of our operations in the Mediterranean**. Besides being shareholder of the cruise terminal, Costa Group owns a minority stake in Chantier Naval de Marseille, a point of reference for ship repair and maintenance for the whole Mediterranean region.

The port has become Costa Group's **key dry-docking center** in the Western Mediterranean, with 6 ships drydocked here in 2018. Since April 2019, the LNG flagship AIDAnova calls Marseille every week and will be followed by the Costa Smeralda. Dry dock 10, the largest in the Mediterranean, will be prepared to manage our new LNG ships, which require very specialized knowledge. All these activities generate important induced effects in terms of technical expertise, skills and value creation.

In Marseille Costa has also partnered with local institutions for the **sustainable development of the port**. Following the signing of the ESI (Environmental Ship Index) Implementation Protocol in 2017, we signed with the Grand Port Maritime of Marseille a **joint commitment to environmental protection** (emission control and monitoring) and the **creation of a state-of-the art logistics center for bunkering**. An integral part of the project is the establishment of a training program for officers with specific courses for maritime professionals and an emphasis on the safeguard of the marine environment.

### IMPACT BY CATEGORY



  
**662,751**  
 PASSENGER MOVEMENTS IN 2018  
**770,206**  
 EXPECTED IN 2019

  
**173**  
 PORT CALLS IN 2018  
**209**  
 IN 2019

  
**48**  
 EMPLOYEES



# Norway



**1.1 million**  
PASSENGER MOVEMENTS

**24**  
DESTINATIONS

**455**  
PORT CALLS

# Norway

## Economic impact

Costa Group represents 22% of the total cruise calls in Norway, with AIDA Cruises having the single largest number. In line with Innovation Norway / Visit Norway's slogan - "all of Norway all through the year" - our ships call in Norway 11 months a year, producing benefits for the communities also in off-peak season.

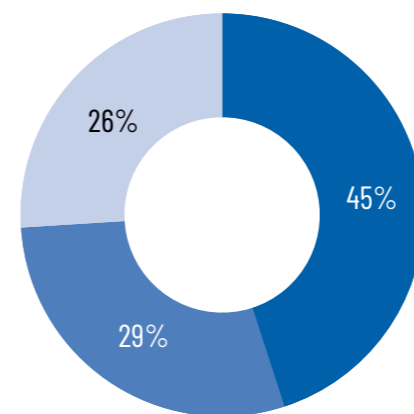
Norway is the country with the highest spending in shore excursions for a **total local investment of almost 20 million euro**. Our shore excursion programs are mostly operated by local private companies that allow our guests to experience the culture, cuisine and beauty of the destinations.

In an effort to **value the best of Norway**, we have partnered with a local supplier to offer our guests around the world only Norwegian salmon. We also formed local partnerships to introduce typical hams and sausages and a selection of local beers for our calls in Geiranger.

Carnival Corporation signed a **3-year partnership with the Bellona Foundation** to improve sustainable cruise tourism. In the short term, our shared goal is to achieve zero emissions when in port. That is why, in 2019 we reached an agreement with **Norwegian marine battery supplier Corvus** for the installation of **lithium-ion battery storage systems** onboard the AIDA fleet, **from 2020**.

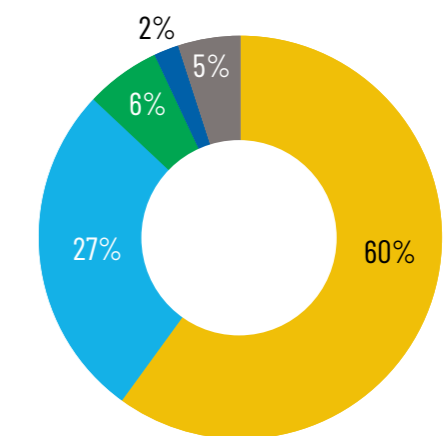
### OUR IMPACT

#### BY TYPE



■ Direct ■ Indirect ■ Induced

#### BY CATEGORY



■ Destination activities ■ Arrival & departure  
 ■ Shipbuilding ■ Other purchases  
 ■ Port costs



# Port of Bergen


## Economic Impact

Bergen is Norway's **largest cruise port receiving more than 300 calls annually**. Bergen is a rather small town with 270,000 inhabitants with the precious old quarter of Bryggen, which is included in the UNESCO World Heritage List.

The city has a strong environmental conscience and aims to be fossil free by as early as 2030. As the second city in Norway, Bergen is also building shore power infrastructure for cruise ships that will be ready by 2020.

In line with our commitment to sustainable cruising, Costa Group has entered into **dialogue with local stakeholders** to discuss solutions for a more environmentally balanced development of cruise tourism. To this end, **all of our ships calling Bergen**, as well as the rest of Norway, **will be equipped with shore power**.



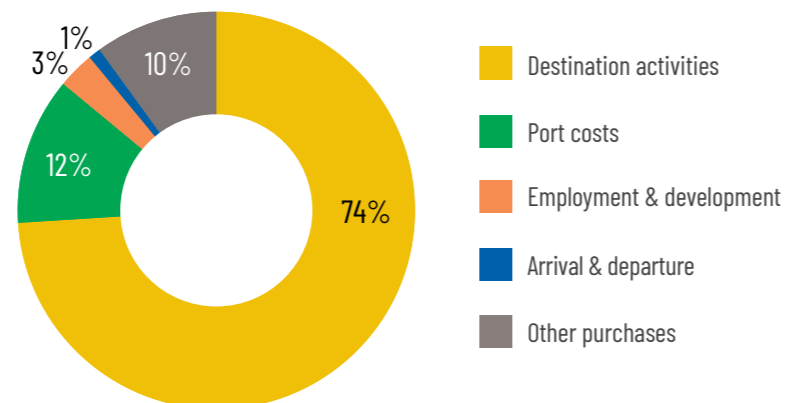
  
**191,258**  
 PASSENGER MOVEMENTS

  
**77**  
 PORT CALLS

€  
**92**  
 AVERAGE GUEST SPENDING PER DAY

  
**70%**  
 OF OUR GUESTS WILL DEFINITELY VISIT AGAIN

## IMPACT BY CATEGORY





# Finland

Introduction

Our company

Our industry

Our impact in Europe

Country reports

Methodology





**157,766**  
PASSENGER MOVEMENTS

**2**  
DESTINATIONS

**64**  
PORT CALLS

# Finland

## Economic impact

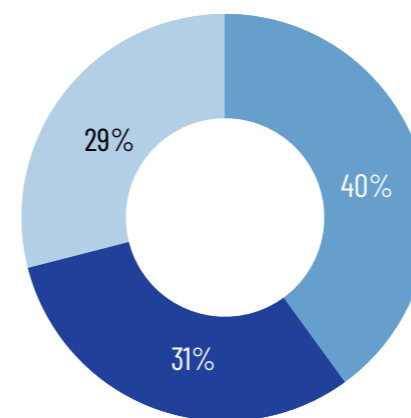
The economic impact of our shipbuilding in Turku is so significant, that Finland – a country that is only seasonally visited by some of our ships – ranks **third for largest national value creation** in our study.

Through our partnership with the Meyer Weft shipyards, we are completing in Turku **the construction of the Costa Smeralda, Costa Group's second LNG fueled ship** and first for the Costa Cruises brand, due to be delivered in 2019. Works are also in progress for the new Costa Toscana, due to be delivered by 2021.

However, Finland has gained popularity over the last years also as a destination for the East Baltic Cruises. In 2018 AIDA and Costa Cruises visited 60 times the city of Helsinki, giving our guests the possibility to extensively explore the Finnish capital, but also to discover the historic town of Porvoo located in the surroundings. In addition, AIDA Cruises has called 4 times in Mariehamn on the Aland Islands.

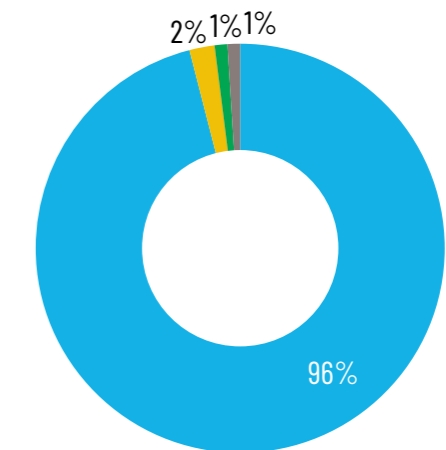
## OUR IMPACT

### BY TYPE



■ Indirect ■ Direct ■ Induced

### BY CATEGORY



■ Shipbuilding ■ Port costs  
■ Destination activities ■ Other purchases

An aerial photograph of three cruise ships sailing on a vast, deep blue ocean under a clear sky. The ships are moving from left to right, leaving white wakes behind them. The ship in the center is the largest and most prominent. A large, semi-transparent grey triangle is overlaid on the right side of the image, containing the word 'METHODOLOGY' in white, uppercase letters, flanked by two thin white horizontal lines.

# METHODOLOGY



# Methodology

## The input-output model

An economic impact assessment aims to measure the effect of the presence of a business on the economy in a specified region and timeframe. The impact assessment tries to quantify the difference between the presence of an organization in an economy versus it not being present – typically this difference is expressed in terms of economic value and employment level.

One of the most commonly used models for assessing macroeconomic impact is the “input-output model” (“I/O model”) that was originally developed by Wassily Leontief – who later won the Nobel Prize for his work in this area. Through national input-output tables, the model depicts inter-industry relationships within an economy, showing how output from one industrial sector may become an input to another industrial sector. By such a model, flows of economic activity related to a certain spending can be traced forward to estimate the indirect and the induced effects, through the use of the industry specific multipliers.

The model has been chosen as the best methodology for this study because it is the state-of-the-art model for economic impact analyses. It also allows for a modular approach which is needed to aggregate and disaggregate the impacts of our two brands – Costa Cruises and AIDA Cruises – across all European countries to form a holistic groupwide European picture.

The input-output tables used for this study are the latest available version of the country specific “symmetric tables at basic prices” that are provided by Eurostat. Specifically, for the 6 countries in scope, the tables referred to 2015 for Italy, France and Spain, and to 2014 for Germany and Norway and Finland. The industry categorization for this study follows the European Union NACE classification, which provides the mandatory framework for collecting and presenting statistical data on economic activities in the EU. Statistics produced on the basis of NACE are comparable at European and world level and are thus ideal for a comparison between European countries.

More information on the European input-output tables, how they are created and instructions for usage can be found on the Eurostat website (<https://ec.europa.eu/eurostat/de/web/esa-supply-use-input-tables>).

### Example input-output table

In an input-output table the rows represent the selling sectors, while the columns represent the purchasing sectors inside an economy.

- ◆ Reading the table by row (horizontally) indicates the use of goods/services produced by a selling sector. Hence, it is possible to analyze the production of an economic sector in terms of distribution on others;
- ◆ Reading the table by column (vertically), indicates the structure of production costs of the considered sector, and it is useful to analyze the process of acquisition of goods/services from other economic sectors.

Selling sectors	Purchasing sectors				
	Spain (M€)	Food production	Agriculture	Manufacture	...
Food production	50,090	7,542	3.4	...	81,801
Agriculture	28,061	2,577	1.8	...	32,406
Manufacture	28.3	1.3	1,969	...	8,746
...	...	...	...	...	...
Total Input	111,968	37	7,532	...	...

The first line shows that the “Food production” sector sells 50,090 M€ of its own product within the same sector (ex. direct use or exchanges between food producers), sells part of the production to the agriculture sector (for 7,542 M€) and manufacture sector (for 3.4 M€), and so on, with a total revenue of 81,801 M€.

The first column shows that the “Food production” sector uses and purchases 50,090 M€ of its own product (ex. direct use or exchanges between food producers) and purchases goods and services from the agriculture sector (for 28,061 M€) and the manufacturing sector (for 28.3 M€), and so on, with a total cost of 111,968 M€.



# Our input data

## Direct economic impact

The starting point for the quantification of the total economic impact in euro via the input-output model is the direct impact. For the purpose of this study, four different building blocks have been considered to determine, as precisely as possible, the direct impact of Costa Group operations.



### 1) Costa Group spending across Europe

A large part of our direct impact is created by the money directly spent by Costa Group on its suppliers and employees across Europe. By tracing back the costs as stated in our fiscal year 2018 financial report (incl. capital expenditures) to the residence of our suppliers, we have obtained a clear picture on the amount of impact created per region. Similarly, the net salaries received by our employees have been allocated to their region of residence and to the different industries, according to Eurostat spending stats.

To properly reflect the regional impact of shore excursions, head tax and port costs – which are often organized by a middle agent not necessarily located in the ports where the actual service is delivered – have been allocated to the location of the actual shore excursion, head tax or port service.



### 2) Shipyard impact

In 2018 Costa Group had 6 ships under construction. Largely money has been spent on our partners Meyer Werft and Fincantieri, who on their end work with a large number of suppliers across Europe.

In order to provide a better picture on where the actual impact of our shipbuilding activities occurs, we have partnered with the shipyards, that have provided us information on regional allocation of the costs generated by the construction of our ships.



### 3) Individual spending of our guests

During their cruise, many guests decide to explore the port cities either through tours arranged by us or on their own. In addition, before and after their cruise, many guests still spend time in their turnaround port as well as using self-arranged transportation back home.

In order to quantify the independent impact of our guests – both in transit and turnaround ports – we have launched an extensive guest survey to more than 300,000 guests who travelled with us in 2018. With this survey, we have explored the amount of guest spending and the relative categories for which the spending occurred in different European destinations in 2018. Spending for self-arranged arrivals and departures to and from the ship has been estimated based on our database on individual arrivals and departures, making assumptions on their mode of transport and the associated costs.



### 4) Individual spending of our crew

During port calls our crew members take the opportunity to take some time off and spend time in the cities of destination. In order to better understand the magnitude of this impact while at the same time respecting the privacy of our crew, we have conducted a thorough literature review of available studies (e.g. CLIA & Policy Research). They all suggest an average spending of 23 euro per crew member per port call in different subcategories. Combining this with figures with our actual disembarked crew and port call database we have estimated the total impact created by our crew during port calls.

# Our input data

## Direct employment

The indirect and induced employment generated has been calculated starting from the direct economic impact and by estimating specific employment multipliers. Both input-output tables and Eurostat data related to employment level by NACE sector and by country have been used to estimate the employment multipliers, which have been applied to the direct economic expenditures to obtain the number of indirect and induced FTEs generated by sector and by country. Our direct employment figures however are again corresponding to FY 18 and have been derived as follows:



### 1) Costa Group employees ashore

Costa Group has app. 3,000 shoreside employees around the globe that are supporting the operations of AIDA and Costa.

For our European impact study, we have only considered our employees that have their residence in Europe. Also employees from sub-companies, that are however exclusively working for Costa Group, have been included in the calculations.



### 2) Investment employees ashore

Costa Group is a large investor to a number of businesses in the area of port infrastructure, technical supplies, commercial operations or shipyards. To also reflect the jobs created by our investment activities, we have considered the employees that are employed in these associates or subsidiaries. The total number of employees was obtained from the 2018 financial statements of those companies, however only the share of employees equivalent to the Costa Group investment share has been considered in our direct employment figures.



### 3) Costa Group employees onboard

Costa Group has a total of 28,500 employees that are working onboard the ships. Similar to the approach applied to shoreside personnel, we have only included the employees with a European residence in our calculations for this study.





